

ALEATOR ENERGY LIMITED, TO BE RENAMED:

# VONEX LIMITED

ACN 063 074 635

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## PROSPECTUS

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For the offer of up to 111,111,111 Shares at an issue price of \$0.045 per Share to raise up to \$5,000,000 with a minimum subscription of 80,000,000 Shares to raise at least \$3,600,000 (**Public Offer**).

This Prospectus also contains an offer of up to 233,333,333 Shares and 400,000,000 Performance Shares (being 133,333,333 Class A Performance Shares, 133,333,333 Class B Performance Shares and 133,333,334 Class C Performance Shares) (**Consideration Securities**) to the Vonex Vendors (**Vendor Consideration Offer**).

### IMPORTANT INFORMATION

Unless otherwise stated, all references to Securities in this Prospectus are made on the basis that the 3:1 Consolidation, for which Shareholder approval was obtained at the General Meeting (held on 30 November 2015) has taken effect.

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Securities offered by this Prospectus are subject to certain risks as set out in Section 9.**

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## CONTENTS

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1.	CORPORATE DIRECTORY .....	1
2.	IMPORTANT NOTICE .....	2
3.	INDICATIVE TIMETABLE* .....	6
4.	CHAIRMAN'S LETTER.....	7
5.	INVESTMENT OVERVIEW .....	8
6.	TRANSACTION OVERVIEW .....	22
7.	DETAILS OF THE OFFERS.....	26
8.	COMPANY OVERVIEW .....	36
9.	RISK FACTORS .....	50
10.	BOARD, MANAGEMENT AND INTERESTS.....	60
11.	INVESTIGATING ACCOUNTANT'S REPORT .....	65
12.	CORPORATE GOVERNANCE.....	84
13.	MATERIAL CONTRACTS .....	94
14.	ADDITIONAL MATERIAL INFORMATION .....	102
15.	DIRECTORS' AUTHORISATION .....	116
16.	GLOSSARY AND INTERPRETATION.....	117

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## 1. CORPORATE DIRECTORY

### Existing Directors

Lewis Cross (Non-executive Chairman)  
Gennady Varitsky (Non-executive Director)\*  
Mark Rowbottom (Executive Director)

### Incoming Directors

Brydie McKee (Proposed Executive Director)\*\*  
Angus Parker (Proposed Executive Director)\*\*

### Company Secretary

Mr Ranko Matic

### ASX Code:

AWD

### Proposed ASX Code:

VNX

### Share Registry

Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace  
PERTH WA AUSTRALIA, 6000

\* To retire on Settlement

\*\* To be appointed on Settlement

### Registered Office

#### The Company

Unit 18, 40 St Quentin Avenue  
CLAREMONT WA 6010

Telephone: +61 8 9385 0700  
Facsimile: +61 8 9385 4400  
Email: [info@aleatorenergy.com.au](mailto:info@aleatorenergy.com.au)  
Website: [www.aleatorenergy.com.au](http://www.aleatorenergy.com.au)

#### Vonex

Level 6, 303 Coronation Drive  
MILTON QLD 4064

Telephone: +61 7 3667 8999  
Facsimile: +61 1300 997 999  
Email: [helpdesk@vonex.com.au](mailto:helpdesk@vonex.com.au)  
Website: [www.vonex.com.au](http://www.vonex.com.au)

### Investigating Accountant

RSM Bird Cameron Corporate Pty Ltd  
8 St Georges Terrace  
PERTH WA 6000

### Auditor

RSM Australian Partners  
8 St Georges Terrace  
PERTH WA 6000

### Legal Advisers

Steinepreis Paganin  
The Read Buildings  
Level 4, 16 Milligan Street  
PERTH WA 6000

### Lead Manager

PAC Partners Pty Ltd  
Level 12, 15 William Street  
MELBOURNE VIC 3000

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## **2. IMPORTANT NOTICE**

### **2.1 General**

This Prospectus is dated 3 December 2015 and was lodged with the ASIC on that date. The ASX, ASIC and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No person is authorised to give information or to make any representation in connection with the Offers, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by Aleator Energy Limited (the **Company**) in connection with this Prospectus. You should rely only on information in this Prospectus. Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus are subject to certain risks as set out in Section 9.

### **2.2 Re-compliance Prospectus**

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy the ASX requirements for re-admission to the Official List following a change in the nature and scale of the Company's activities.

### **2.3 Investment Advice**

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Shares under this Prospectus.

### **2.4 Expiry Date**

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

### **2.5 Exposure Period – Performance Shares**

The Performance Shares to be issued under the Vendor Consideration Offer are subject to an Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds.

The Company is prohibited from processing applications under the Vendor Consideration Offer during the seven day period after the date of the Prospectus lodgement (**Exposure Period**). ASIC may extend the Exposure Period by up to a further seven days from this date.

Applications under the Vendor Consideration Offer received during the Exposure Period will not be processed until after the expiry of the Exposure Period.

## 2.6 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of past and present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its Directors and management.

Although the Company believes that the expectations reflected in the forward looking statements included in this Prospectus are reasonable, none of the Company, its Directors or officers, or any person named in this Prospectus, can give, or gives, any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur or that the assumptions on which those statements are based will prove to be correct or exhaustive beyond the date of its making. Investors are cautioned not to place undue reliance on these forward-looking statements.

Except to the extent required by law, the Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

The forward looking statements contained in this Prospectus are subject to various risk factors that could cause the actual results to differ materially from the results expressed or anticipated in these statements. The key risk factors of investing in the Company are set out in Sections 5D and 9 of this Prospectus.

## 2.7 Privacy statement

By completing and returning an Application Form, you will be providing personal information directly or indirectly to the Company, the Share Registry, and related bodies corporate, agents, contractors and third party service providers of the foregoing (**Collecting Parties**). The Collecting Parties collect, hold and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

By submitting an Application Form, you authorise the Company to disclose any personal information contained in your Application Form (**Personal Information**) to the Collecting Parties where necessary, for any purpose in connection with the Offers, including processing your acceptance of the Offer and complying with applicable law, the ASX Listing Rules, the ASX Settlement Operating Rules and any requirements imposed by any Public Authority.

If you do not provide the information required in the relevant Application Form, the Company may not be able to accept or process your acceptance of the Public Offer.

If the Offers are successfully completed, your Personal Information may also be used from time to time and disclosed to persons inspecting the register of Shareholders, including bidders for your securities in the context of takeovers, Public Authorities, authorised securities brokers, print service providers, mail houses and the Share Registry.

Any disclosure of Personal Information made for the above purposes will be on a confidential basis and in accordance with the Privacy Act 1988 (Cth) and all other legal requirements. If obliged to do so by law or any Public Authority, Personal Information collected from you will be passed on to third parties strictly in accordance with legal requirements. Once your Personal Information is no longer required, it will be destroyed or de-identified. As at the date of this Prospectus, the Company does not anticipate that Personal Information will be disclosed to any overseas recipient.

Subject to certain exemptions under law, you may have access to Personal Information that the Collecting Parties hold about you and seek correction of such information. Access and correction requests, and any other queries regarding this privacy statement, must be made in writing to the Share Registry at the address set out in the Corporate Directory in Section 1 of this Prospectus. A fee may be charged for access.

## **2.8 Web Site – Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at <http://www.aleatorenergy.com.au>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

There is no facility for the Offers to be accepted electronically or by applying online. Shares will not be issued under the electronic version of the Prospectus. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies a complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form, it was not provided together with the Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## **2.9 Defined terms**

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 16 of this Prospectus.

## **2.10 Time**

All references to time in this Prospectus are references to Australian Western Standard Time.

## **2.11 Risks**

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Securities. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Section 5D of the Investment Overview and Section 9 of this Prospectus for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

## **2.12 Enquiries**

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers, please call Director, Mark Rowbottom on +61 (8) 9385 0700.

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**3. INDICATIVE TIMETABLE\***

Despatch of Notice of General Meeting	30 October 2015
General Meeting held to approve the Acquisition	30 November 2015
Lodgement of Prospectus with the ASIC	3 December 2015
Opening Date of the Public Offer	4 December 2015
Opening Date of the Vendor Consideration Offer	10 December 2015
Closing Date of Offers	14 December 2015
Issue of Securities under the Offers	21 December 2015)
Settlement of the Acquisition <sup>^</sup>	21 December 2015)
Despatch of holding statements	24 December 2015
Re-compliance with Chapters 1 and 2 of the ASX Listing Rules	4 January 2015
Re-quotation of Shares (including Shares issued under the Offers) on ASX	7 January 2015

*\* The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offers early without prior notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Shares to Applicants.*

*<sup>^</sup> The above stated date for Settlement of the Acquisition is only a good faith estimate by the Directors and may have to be extended.*



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#### 4. CHAIRMAN'S LETTER

Dear fellow investor,

On behalf of the directors of Aleator Energy Limited (to be renamed Vonex Limited) (**Company**), I am pleased to present you with this opportunity to become a shareholder in the Company.

On 8 July 2015, the Company announced that it had entered into a binding heads of agreement (**Acquisition Agreement**) with Vonex Limited (**Vonex**) and Shareholders of Vonex who together hold 50.14% of Vonex Shares (**Majority Shareholders**) for the option (**Vonex Option**) to conditionally acquire 100% of the issued capital in Vonex (**Acquisition**). On 13 August 2015, the Company exercised the Vonex Option.

Vonex is an award-winning Perth based telecommunications company that develops new technologies in the communication industry. Vonex has developed technologies in communications, including a cloud hosted PBX system. Vonex is also developing the oper8tor App, a multi-platform voice, messaging and social media app that allows users to connect with all social media friends, followers and contacts from a single app.

At the annual general meeting of the Company held on 30 November 2015, the Company obtained Shareholder approval to all resolutions required to implement the Acquisition including approval to:

- raise up to \$5,000,000 by the issue of, on a post Consolidation basis, up to 111,111,111 fully paid ordinary shares in the capital of Aleator (**Shares**) at an issue price of \$0.045 per Share (**Public Offer**); and
- issue the Consideration Securities to the Vonex Vendors in exchange for their interests in Vonex (**Vendor Consideration Offer**),

(collectively, **the Offers**).

The funds raised from the Public Offer, together with the Company's and Vonex's existing cash reserves will be primarily used to develop the existing Vonex business as well as new business opportunities as set out in this Prospectus.

An investment in the Company involves a number of risks and must be considered speculative. The Public Offer represents an opportunity to participate in the development of Vonex. I encourage you to read the Prospectus carefully and seek professional advice if required before making an investment decision.

On behalf of the Board, I commend this opportunity and look forward to welcoming you as a Shareholder.

Yours sincerely

Lewis Cross  
**Chairman**  
**Aleator Energy Limited**

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## 5. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
<b>A. Company</b>		
Who is the issuer of this Prospectus?	Aleator Energy Limited (ACN 063 074 635) (ASX:AWD), to be renamed "Vonex Limited" (ASX:VNX) on Settlement.	
Who is the Company?	<p>The Company was incorporated on 11 February 1994 and was admitted to the Official List of the ASX on 6 July 1996. The Company's primary operations up until 2006 was mineral exploration, following which it has been oil and gas exploration in Crimea and the USA.</p> <p>Recently, the Company has been evaluating alternative corporate opportunities, both in Australia and overseas and on 8 July 2015, the Company entered into a binding heads of agreement with Vonex for the option to conditionally acquire 100% of the issued capital in Vonex.</p>	Section 6.1
How will the Acquisition be implemented?	<p>The Company held the General Meeting of Shareholders on 30 November 2015, at which the Company's Shareholders approved, among other things, the Acquisition.</p> <p>The Company proposes to change its name to "Vonex Limited" on Settlement of the Acquisition, which in the Proposed Board's opinion will be better suited to the Company's new strategic direction.</p>	Section 6.2
What is the Company's intention in respect of its existing business?	<p>Following Settlement, Company intends to continue to hold its rights over the Golden Eagle oil and gas project in Utah USA, which remains shut in production and under suspension. The Existing Directors considers that the project continues to have exploration upside and therefore intends to hold the project until it can be appropriately divested or partnered on terms that will derive the best outcome for Shareholders.</p> <p>The Company also maintains its interest in the Johnston Range iron ore royalty with Cliffs Asia Pacific Iron Ore Pty Ltd, which will be retained.</p>	Section 8.2

Item	Summary	Further information
Who is Vonex?	<p>Vonex is an award winning Perth based technology company that has 3 distinctive divisions being a development and engineering arm, wholesale arm and its retail arm.</p> <p>Vonex's core business consists of a cloud hosted PBX (<b>Vonex PBX</b>). A PBX (Private Branch Exchange) is a telephone system within an enterprise that switches calls between enterprise users on local lines while allowing all users to share a certain number of external phone lines. Typically a PBX operates through a physical box into which all the telecommunication lines for an enterprise are connected.</p> <p>The Vonex PBX has removed the need for a physical box and allows for the operation of the PBX to occur via the internet/cloud. The Vonex PBX means a business can have offices in multiple locations around a city, country or the world and transfer calls seamlessly between these locations.</p> <p>The main aspects of the Vonex Business are:</p> <ol style="list-style-type: none"> <li><b>1. Wholesale:</b> Vonex sells the Vonex PBX "white label" to internet telecommunication service providers (ITSP's,) or small telecommunication carriers who in turn on sell the Vonex PBX product to end users. The ITSP's and carriers (which Vonex refer to as "wholesalers") are then charged for each phone that is connected to the Vonex PBX platform.</li> <li><b>2. Vonex Telecom - retail telecommunications business:</b> Vonex's subsidiary operates as a full telecommunication carriage services provider (<b>CSP</b>), selling a range of telecommunication products including internet, mobile sim plans, phones, landlines, business fibre, phone plans, national broadband network (<b>NBN</b>) products and most importantly access to the Vonex PBX.</li> <li><b>3. Technology development – oper8tor App:</b> The company's development arm is currently developing an App that re-invents communications worldwide, called</li> </ol>	Sections 6.4 and 8

Item	Summary	Further information
	<p>“oper8tor”. It is intended that the oper8tor App will be a multi-platform voice, messaging and social media app that allows users to connect with all social media friends, followers and contacts from a single app.</p> <p>Current audited revenues of Vonex are more than \$4.5 million per annum with historically strong growth.</p> <p>For more details on the background of Vonex and the Vonex Business please refer to Section 8.</p>	
<b>B. Business Model</b>		
How will the Company generate income?	<p>Following Settlement, the Company expects that it will derive revenue from the sale of Vonex products/services, specifically from the continued operation of Vonex’s wholesale arm and Vonex Telecom as set out above..</p> <p>The Company will also be pursuing growth initiatives by way of the development of the oper8tor App. Once the App is released the Company expects to receive revenue from App sales, advertising from within the App and In-App purchases as described in Section 8.5(c)(ii).</p>	Section 8.5
What are the key business strategies of the Company?	<p>Upon Settlement of the Acquisition, the Company will focus on:</p> <ul style="list-style-type: none"> <li>(a) continually evaluating its personnel and looking for the best in the field;</li> <li>(b) development and launch of the oper8tor App;</li> <li>(c) continually monitoring the telecommunications industry and looking for opportunities to develop new innovative products to address opening market needs;</li> <li>(d) adopting appropriate portfolio and risk management policies to achieve operating efficiencies and maximise returns for investors;</li> <li>(e) if appropriate, ensuring the application of appropriate debt levels with a view to providing</li> </ul>	Section 8.12

Item	Summary	Further information
	<p>acceptable risk-adjusted returns; and</p> <p>(f) prudently and actively managing its administrative expenditure.</p>	
What are the key dependencies of the Company's business model?	<p>The key factors that the Company will depend on to meet its objectives are:</p> <ul style="list-style-type: none"> <li>the successful completion of the Acquisition;</li> <li>the recruitment of the correct personnel and retention of existing personnel;</li> <li>the continued marketing of the company's existing products and continual enhancements of those products; and</li> <li>the continual development of additional products to meet the future demands of the telecommunication industry.</li> </ul>	Section 8.11

### C. Key Investment Highlights

What are the key investment highlights?	<p>The Existing Directors and Incoming Directors are of the view that the key highlights of an investment in the Company (assuming the Acquisition proceeds) include:</p> <ul style="list-style-type: none"> <li>the opportunity to participate in the benefits associated with holding Shares in a new listed telecommunications company that will be pursuing significant growth initiatives such as the oper8tor App;</li> <li>gaining exposure to returns generated by Vonex's activities in the telecommunications industry, including the revenues generated by the already operating and revenue producing Vonex Business;</li> <li>following the completion of the Public Offer, the Company will gain the benefit of the injection significant funds into the Company which will enable it to undertake preliminary actions in pursuance of its new direction and growth activities; and</li> <li>the Company will be managed by directors and officers with significant experience in the telecommunications industry that will hold the necessary skills and a view to guiding the Company to be</li> </ul>	Section 6.3
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Item	Summary	Further information
	a significant player in that industry.	
<b>D. Key Risks</b>		
What are the key risks of an investment in the Company?	<p>The business, assets and operations of the Company, including after Settlement of the Acquisition, are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Shares of the Company.</p> <p>The Proposed Board aim to manage these risks by carefully planning the Company's activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.</p> <p>Based on the information available, the key risk factors affecting the Company include:</p> <p>(a) <b>Re-Quotation of Shares on ASX and Conditional Acquisition</b></p> <p>The Acquisition of Vonex constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX.</p> <p>There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.</p> <p>(b) <b>Competition and new technologies</b></p> <p>There is significant competition in the telecommunications industry generally. Vonex's competitors include companies with significantly greater financial, technical, human, research and development and marketing</p>	Section 9

Item	Summary	Further information
	<p>resources than are currently available to Vonex. Vonex's competitors may develop technologies and products that perform better, have greater market acceptance. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose product developments, activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business.</p> <p>Industries can change rapidly because of technological innovation, new product introductions, declining prices and evolving industry standards, among other factors. New solutions and new technology often render existing solutions and services obsolete, excessively costly or otherwise unmarketable.</p> <p>As a result, the success of Vonex depends on Vonex being able to keep up with the latest technological progress and to develop or acquire and integrate new technologies into its existing business.</p> <p>(c) <b>Interruptions to operations, including infrastructure and technology failure</b></p> <p>Vonex is exposed to short, medium or long-term interruptions to its operations as it relies on its infrastructure and technology to provide its customers with a highly reliable service. There may be a failure to deliver this level of service as a result of numerous factors, including, human error, power loss, improper maintenance by entities not related to Vonex, physical or electronic security breaches, fire, earthquake, hurricane, flood and other natural disasters, water damage, intentional damage to the networks from vandalism; and sabotage and vandalism.</p>	

Item	Summary	Further information
	<p>In addition, Vonex's wholesalers or channel partners may be exposed to some of the above events that could significantly impact the operations of those entities, which could, in turn, materially and adversely affect Vonex's business, financial condition, results of operations and revenue.</p> <p>(d) <b>Relationships with key intellectual property licensors and technology generators</b></p> <p>Vonex uses intellectual property and technology developed in the course of its business that is owned by Vonex, however Vonex also relies on relationships with key intellectual property licensors and technology partners, from whom it licenses the right to use particular intellectual property and technology, such as Vodia (refer to Section 13.3 for summaries of material agreements relating to the Vonex Business).</p> <p>Vonex's ability to construct, maintain and manage its existing wholesale and retail business is dependent on its ability to use particular intellectual property and technology, and any change in the ability to use intellectual property Vonex relies on may have an effect on Vonex's future financial performance and position.</p> <p>(e) <b>Protection of intellectual property rights</b></p> <p>Vonex's operator App and other technology used in the wholesale business and by Vonex Telecom is partially reliant on its ability to protect and maintain its intellectual property interests. The ability of the Company to obtain and sustain patents, maintain trade secret protection and operate without infringing proprietary rights of third parties is therefore an integral part of the Company's business in the event that the Acquisition proceeds.</p> <p>As set out in Section 8.5(c), Vonex has patent rights pending for its proprietary systems and methods for establishing</p>	



Item	Summary	Further information
	<p>electronic communication. However, if the patent rights are not granted and the Company fails to protect its future developments and intellectual property rights, competitors may gain access to its technology which would in turn harm its business.</p> <p>The granting of protection, such as a registered patent, does not guarantee that the rights of others are not infringed, that competitors will not develop technology to avoid the patent or that third parties will not claim an interest in the intellectual property with a view to seeking a commercial benefit from the Company or its partners.</p> <p>(f) <b>Regulatory changes</b></p> <p>As Vonex is classified as a carrier services provider not a telecommunications carrier, it currently is not required to comply with any governmental law or regulations. However the telecommunication industry is one where governments have a significant investment, for example in Australia, the Australia's National Broadband Network.</p> <p>Changes in government policy relating to the telecommunications industry may directly and indirectly affect the competitive landscape that Vonex operates in which could materially affect Vonex's future financial performance and position.</p> <p>(g) <b>Access to the Internet and other technology infrastructure</b></p> <p>As Vonex's services are designed primarily to work over the Internet, its revenue growth depends on its customers low cost, high-speed access to the Internet, as well as the continued maintenance and development of the Internet infrastructure, including its access to IP providers.</p> <p>Additionally, Vonex's ability to maintain</p>	

Item	Summary	Further information
	<p>its IP ranges and access to the cloud technology is important in order to offer its business grade voice services across the world. IP ranges are required to host the Vonex PBX system at various data centres and allows Vonex to assign public IP addresses to them, allowing Vonex's services to be readily accessible across the internet or any part of the world with internet access. Vonex's IP ranges are maintained through APNIC accordingly if Vonex does not maintain its membership with APNIC it will lose ownership and management of its allocated IP ranges which will be detrimental to the PBX operations and subsequent revenue generation from these services.</p> <p>(h) <b>Security Breaches and Hacker Attacks</b></p> <p>A malicious attack on Vonex's systems process or people from external or internal sources could put the integrity and privacy of customers' data and the Vonex PBX system and associated technology at risk. The impact of loss or leakage of customer or business data could include costs for rebates, potential service disruptions, litigation and brand damage resulting in reduced or falling revenues. Vonex follows best practise in relation to security policies, procedures, automated and manual protection, encryption systems and staff screening to minimise this risk.</p> <p>For additional specific risks associated with the contemplated Acquisition please refer to Sections 9.1(a) and 9.1(b) and for other general investment risks, many of which are largely beyond the control of the Company and its Directors please refer to Section 9.1(c)</p>	
<b>E. Directors and Key Management Personnel</b>		
Who are the Existing Directors and Incoming Directors?	<p>It is proposed that upon Settlement of the Acquisition:</p> <p>(a) Brydie McKee and Angus Parker will be appointed to the Board;</p>	Sections 10.1 and 10.3

Item	Summary	Further information
	<p>(b) Mark Rowbottom and Lewis Cross will remain on the Board; and</p> <p>(c) Gennady Varitsky will resign from the Board.</p> <p>The profiles of each of the Incoming Directors as well as the Remaining Directors are set out in Section 10.1. Details of the personal interests of those persons set out above are set out in Section 10.3.</p>	
<b>F. Financial Information</b>		
What is the key financial information for the Company?	<p>Refer to the Investigating Accountant's Report in Section 11 for a discussion in respect of the key financial information of the Company in connection with the Acquisition.</p> <p>Investors should note that past performance is not a guide to future performance.</p>	Section 11
How will the Company fund its activities?	The funding for the Company's short to medium term activities will be generated from a combination of its operating cash flows, the money raised under the Public Offer and existing cash reserves of the Company post-Acquisition.	Section 7.4
Has the Company included forecast financial information in respect of the Vonex Business?	<p>Given the current status of the Company's operations and the significant changes anticipated, the Incoming Directors along with the Remaining Directors do not consider it appropriate to forecast future earnings.</p> <p>Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.</p>	Section 8.14(b)
<b>G. Offers</b>		
What is the purpose of the Public Offer?	<p>The purpose of the Public Offer is to:</p> <p>(a) fund the ongoing immediate working capital needs of the Company including maintaining the Company's existing assets until divested;</p> <p>(b) provide funding to develop Vonex's operator App and grow the existing Vonex Business; and</p> <p>(c) meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX</p>	Section 7.3

Item	Summary	Further information
	<p>Listing Rules in order to obtain ASX's approval for reinstatement of the Company's Securities to quotation.</p> <p>The purpose of the Public Offer is also to provide sufficient additional working capital to meet the Company's anticipated overhead and administration expenses over twenty four months following reinstatement to Official Quotation. On completion of the minimum raising of \$3,600,000 under the Public Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.</p> <p>The Company intends to apply funds raised from the Public Offer, together with existing cash reserves of the Company post-Acquisition, over the first two years following reinstatement of the Company to quotation on the Official List of ASX in the manner set out in the table in Section 6.5.</p>	
What is the purpose of the Vendor Consideration Offer?	The purpose of the Vendor Consideration Offer is to remove the need for an additional disclosure document to be issued upon the sale of any Shares or Performance Shares (or any Shares issued upon conversion of the Performance Shares) that are issued under the Vendor Consideration Offer.	Section 7.3
What is being offered and who is entitled to participate?	<p>The Company is inviting applications under the Public Offer for up to 111,111,111 Shares at an issue price of \$0.045 per Share to raise up to \$5,000,000 with a minimum subscription of 80,000,000 Shares to raise at least \$3,600,000.</p> <p>The Public Offer is open to retail and sophisticated investors in Australia, New Zealand, Singapore and Hong Kong.</p> <p>The Company is not in a position to guarantee a minimum allocation of Shares under the Public Offer.</p> <p>The Public Offer is not underwritten.</p> <p>The Company is also making the Vendor Consideration Offer of the Consideration Securities to the Vonex Vendors.</p> <p>You should not complete an Application Form in relation to the Vendor Consideration Offer unless specifically directed to do so by the Company.</p>	Sections 7.1 and 7.2

Item	Summary	Further information
What will the Company's capital structure look like after completion of the Offers and the Acquisition?	Refer to Section 8.16 for a pro forma capital structure following Settlement of the Acquisition.	Section 8.16
What are the terms of the Securities offered under the Offers?	<p>A summary of the material rights and liabilities attaching to the Shares offered under the Offers are set out in Section 14.2.</p> <p>A summary of the material rights and liabilities attaching to the Performance Shares offered under the Offers are set out in Section 14.3.</p>	Section 14.2 and 14.3
Will any Securities be subject to escrow?	<p>Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offers, certain Securities (including those issued to Vonex Vendors as consideration for the Acquisition) on issue may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.</p> <p>Additionally, it is a term of the Acquisition Agreement that the Vonex Vendors will, subject to ASX restriction requirements and any regulatory approvals required, enter into voluntary escrow agreements so that at least 75% of each Vonex Vendors Consideration Securities will be escrowed for 12 months from Settlement.</p> <p>During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Securities in a timely manner.</p> <p>The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Company's listed securities being reinstated to trading on ASX (which reinstatement is subject to ASX's discretion and approval).</p>	Section 8.18
Will the Securities be quoted?	Application for quotation of all Shares to be issued under the Offers will be made to ASX no later than 7 days after the date of this Prospectus.	Section 7.7

Item	Summary	Further information
	The Company will not apply for quotation of the Performance Shares issued under the Vendor Consideration Offer.	
What are the key dates of the Offers?	The key dates of the Offers are set out in the indicative timetable in Section 3.	Section 3
What is the minimum investment size under the Public Offer?	Applications under the Public Offer must be for a minimum of \$2,000 worth of Shares (44,445 Shares) and thereafter, in multiples of \$200 worth of Shares (4,445 Shares).	Section 7.1(c)
<b>H. Use of proceeds</b>		
How will the proceeds of the Public Offer be used?	<p>Together with existing cash reserves of the Company, the Public Offer proceeds will be used to fund:</p> <ul style="list-style-type: none"> <li>(a) expenses of the Offers and Acquisition;</li> <li>(b) immediate working capital needs of the Company (including maintenance of existing assets until divestment) );</li> <li>(c) meet the ongoing administration costs of the Company;</li> <li>(d) development of Vonex's operator App; and</li> <li>(e) general working capital.</li> </ul>	Sections 6.5 and 14.10
<b>I. Additional information</b>		
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offers.	
Is there a Lead Manger to the Public Offer?	PAC Partners Pty Ltd has been appointed as the lead manager to the Public Offer in accordance with the terms of the Lead Manger Mandate.	Section 13.2(a)
What are the tax implications of investing in Shares?	<p>Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares issued under this Prospectus.</p> <p>The tax consequences of any investment in Securities will depend upon an investor's particular circumstances. Applicants should</p>	Section 7.10

Item	Summary	Further information
	obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.	
Where can I find more information?	<ul style="list-style-type: none"> <li>• By speaking to your sharebroker, solicitor, accountant or other independent professional adviser</li> <li>• By reviewing the Company's public announcements, which are accessible from ASX's website at <a href="http://www.asx.com.au">http://www.asx.com.au</a> under the ASX code "AWD"</li> <li>• By contacting Mark Rowbottom on +61 8 9385 0700</li> <li>• By contacting the Share Registry on 1300 787 272.</li> </ul>	

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## 6. TRANSACTION OVERVIEW

### 6.1 The Company

The Company was incorporated on 11 February 1994 and was admitted to the Official List of the ASX on 6 July 1996 as Golden State Resource NL. The Company changed its name to Aleator Energy Limited in 2012. The Company's primary operations up until 2006 was mineral exploration, following which it has been oil and gas exploration in Crimea and the USA.

For the past 12 months, the Company has been evaluating alternative corporate opportunities, both in Australia and overseas.

### 6.2 The Acquisition

As announced on 8 July 2015, the Company entered into the Acquisition Agreement with Vonex Limited (ACN 138 093 482) (**Vonex**) and Shareholders of Vonex who together hold 50.14% of Vonex Shares (**Majority Shareholders**) for the option (**Vonex Option**) to conditionally acquire 100% of the issued capital in Vonex (**Acquisition**). A summary of the material terms of the Acquisition Agreement is set out in Section 13.1.

The Company exercised the Vonex Option on 13 August 2015.

As a condition precedent to the Acquisition Agreement, the Company and Vonex were to enter into agreements with:

- (a) each party to a loan convertible into Vonex Shares (**Vonex Convertible Securityholders**) whereby the Vonex Convertible Noteholder agreed to cancel their Convertible Loans and terminate the associated agreements in consideration for receiving Consideration Securities at Settlement (for more details on the Convertible Loans, please refer to Section 13.2(b)); and
- (b) each Minority Shareholder, whereby the Minority Shareholder agreed to sell their respective holdings of Vonex Shares to Aleator in consideration for receiving Consideration Securities at Settlement.

All Minority Shareholders and Vonex Convertible Securityholders have entered into respective agreements with the Company and Vonex, accordingly, this condition has been satisfied.

At the General Meeting, Shareholders approved amongst other things the Acquisition.

Upon successful Settlement of the Acquisition, the Company will focus on developing the Vonex Business. A more detailed summary of Vonex and the proposed business of the Company following Settlement is set out in Section 8.

### 6.3 Key investment highlights

The Existing Directors and Incoming Directors are of the view that key highlights of an investment in the Company (assuming the Acquisition proceeds) include:

- (a) the opportunity to participate in the benefits associated with holding Shares in a new listed telecommunications company that will be pursuing significant growth initiatives such as the oper8tor App;



- (b) gaining exposure to returns generated by Vonex's activities in the telecommunications industry, including the revenues generated by the already operating and revenue producing Vonex Business;
- (c) following the completion of the Public Offer, the Company will gain the benefit of the injection significant funds into the Company which will enable it to undertake preliminary actions in pursuance of its new direction and growth activities; and
- (d) the Company will be managed by directors and officers with significant experience in the telecommunications industry that will hold the necessary skills and a view to guiding the Company to be a significant player in that industry.

## 6.4 Business Summary

Vonex is an award winning Perth based technology company that has 3 distinctive divisions being a development and engineering arm, wholesale arm and its retail arm.

Vonex's core business consists of a cloud hosted PBX (**Vonex PBX**). A PBX (Private Branch Exchange) is a telephone system within an enterprise that switches calls between enterprise users on local lines while allowing all users to share a certain number of external phone lines. Typically a PBX operates through a physical box into which all the telecommunication lines for an enterprise are connected.

The Vonex PBX has removed the need for a physical box and allows for the operation of the PBX to occur via the internet/cloud. The Vonex PBX means a business can have offices in multiple locations around a city, country or the world and transfer calls seamlessly between these locations.

The main aspects of the Vonex Business are:

- (a) **Vonex PBX and wholesale arm:** Vonex sells the Vonex PBX "white label" to internet telecommunication service providers (**ITSP's**.) or small telecommunication carriers who in turn on sell the Vonex PBX product to end users. The ITSP's and carriers (which Vonex refer to as "wholesalers") are then charged for each phone that is connected to the Vonex PBX platform.
- (b) **Retail telecommunications business - Vonex Telecom:** Vonex's subsidiary operates as a full telecommunication carriage services provider (**CSP**), selling a range of telecommunication products including internet, mobile sim plans, phones, landlines, business fibre, phone plans, national broadband network (**NBN**) products and most importantly access to the Vonex PBX.
- (c) **Technology development – oper8tor App:** Vonex's development arm is currently developing an App that re-invents communications worldwide, called "oper8tor". It is intended that the oper8tor App will be a multi-platform voice, messaging and social media app that allows users to connect with all social media friends, followers and contacts from a single app.

Please refer to Section 8, for a more detailed summary of the Company's proposed business following Settlement of the Acquisition.

## 6.5 Suspension and Re-admission to ASX

As the Company is currently an energy exploration company, the Acquisition, if successfully completed, will represent a significant change in the nature and scale of the Company's operations to a telecommunications provider.

ASX has indicated that this change in the nature and scale of the Company's activities will require:

- (a) the approval of Shareholders; and
- (b) the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

In accordance with ASX guidelines, the Company applied for a trading halt in its Shares from the beginning of trading on the date of the General Meeting.

As a result of the Shareholder approvals obtained at the General Meeting, the Company was required to apply for voluntary suspension of the Shares with effect from the close of the General Meeting. The Shares will not be reinstated to Official Quotation until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and is re-admitted by ASX to the Official List.

Some of the key requirements of Chapters 1 and 2 of the Listing Rules are:

- (a) the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders;
- (b) the Company must satisfy the "assets test" as set out in ASX Listing Rule 1.3; and
- (c) the issue price of Shares must be at least 20 cents and the exercise price of Options must be at least 20 cents (**20 Cent Requirements**).

On 20 October 2015, ASX granted the Company a waiver from the 20 Cent Requirements to enable the Company to issue Shares under the Public Offer at \$0.045 per Share. This waiver is subject to Shareholders approving the Company undertaking the Public Offer at \$0.045 per Share.

It is expected that the conduct of the Offers pursuant to this Prospectus will enable the Company to satisfy the above requirements.

Applicants should be aware that ASX will not re-admit or admit any Shares to Official Quotation until the Company re-complies with Chapters 1 and 2 of the Listing Rules and is re-admitted by ASX to the Official List. In the event that the Company does not receive conditional approval for re-admission to the Official List, the Company will not proceed with the Offers and will repay all Application monies received by it in connection with this Prospectus (without interest).

## 6.6 Shareholder Approval of Essential Resolutions

At the General Meeting held on 30 November 2015, the Company obtained Shareholder approval of a number of resolutions required to implement the Acquisition.

The resolutions put to Shareholders included:

- (a) the significant change in the nature or scale of the Company's activities to become a telecommunications and technology company, for which Shareholder approval is required under ASX Listing Rule 11.1.2 ;
  - (b) the Company undertaking a consolidation of its issued capital on the basis of one (1) Share for every three (3) Shares (**Consolidation**);
  - (c) the creation of a new class of securities, being the Performance Shares (the terms and conditions of which are set out at Section 14.3);
  - (d) the issue of up to 111,111,111 Shares at \$0.045 per Share to raise at least \$3,600,000 (**Minimum Subscription**) and up to \$5,000,000 (**Maximum Subscription**) under the Public Offer;
  - (e) the issue at Settlement of:
    - (i) 233,333,333 Shares (**Consideration Shares**); and
    - (ii) 400,000,000 Performance Shares (being 133,333,333 Class A Performance Shares, 133,333,333 Class B Performance Shares and 133,333,334 Class C Performance Shares) (**Performance Shares**) (the terms and conditions of which are set out at Section 14.3);

(together the **Consideration Securities**), to the Vonex Vendors in consideration for the Acquisition, so that the Company will acquire all the issued capital in Vonex),
  - (f) the appointment of the two (2) Incoming Directors nominated by Vonex to the Board, being Brydie McKee and Angus Parker;
  - (g) the change of the Company's name to "Vonex Limited" at Settlement; and
  - (h) the establishment of the Vonex Limited Performance Rights Plan,
- (the **Essential Resolutions**).

All the Essential Resolutions were approved by Shareholders at the General Meeting.

## 6.7 Change of Name

It is proposed that, the Company will change its name to "Vonex Limited" on Settlement of the Acquisition, which in the Company's opinion will be better suited to the Company's new strategic direction.

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## 7. DETAILS OF THE OFFERS

### 7.1 Public Offer

The Company is inviting applications under the Public Offer for up to 111,111,111 Shares at an issue price of \$0.045 per Share to raise up to \$5,000,000, with a minimum subscription of \$3,600,000.

All Shares issued under this Prospectus will be fully paid and will rank equally with all other Shares then currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 14.2.

(a) *Minimum subscription*

The Public Offer is subject to a minimum subscription of 80,000,000 Shares to raise at least \$3,600,000 (**Minimum Subscription**).

If the Minimum Subscription has not been raised within 4 months after the date of this Prospectus, the Company will not issue any Shares and will repay all Application monies for the Shares applied for under the Public Offer within the timeframe prescribed under the Corporations Act, without interest.

(b) *Underwriting*

The Public Offer is not underwritten.

(c) *Minimum application amount*

Applications under the Public Offer must be for a minimum of \$2,000 worth of Shares (44,445 Shares) and thereafter, in multiples of \$200 worth of Shares (4,445 Shares).

(d) *Eligible participants*

To participate in the Public Offer, you must be a resident of Australia, New Zealand, Hong Kong or Singapore. See Section 7.9 for further details.

The Shares under the Public Offer will be placed to investors at the discretion of the Directors in consultation with the Lead Manager. Accordingly to participate in the Public Offer, you must be invited by Aleator or the Lead Manager.

You should not complete an Application Form in relation to the Public Offer unless specifically directed to do so by the Lead Manager or Aleator.

(e) *Quotation and trading*

Application for quotation of all Shares issued under the Public Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 7.7 for further details.

No Shares issued pursuant to the Public Offer will be subject to any escrow requirement by the ASX.

## 7.2 Vendor Consideration Offer

This Prospectus also includes an offer of up to:

- (a) 233,333,333 Shares; and
- (b) 400,000,000 Performance Shares (being 133,333,333 Class A Performance Shares, 133,333,333 Class B Performance Shares and 133,333,334 Class C Performance Shares),

to be issued to the Vonex Vendors pursuant to the Acquisition Agreement as consideration for the acquisition by the Company of 100% of the issued capital of Vonex (**Vendor Consideration Offer**). The material terms of the Performance Shares are set out at Section 14.3 of the Prospectus.

The material terms and conditions of the Acquisition Agreement are summarised at Section 13.1 of this Prospectus.

Application for quotation of the Shares issued under the Vendor Consideration Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 7.7 for further details. The Company will not apply for quotation of the Performance Shares to be issued under the Vendor Consideration Offer.

Only the Vonex Vendors (or their nominees) may accept the Vendor Consideration Offer. A personalised Application Form in relation to the Vendor Consideration Offer will be issued to the Vonex Vendors together with a copy of this Prospectus.

The Securities issued under the Vendor Consideration Offer may be subject to escrow under the ASX Listing Rules and/or voluntary escrow restrictions. Please refer to Section 8.18 for further details.

## 7.3 Purpose of the Offers

The primary purpose of the Offers is to:

- (a) provide the Company with funding to develop the Vonex business (including the oper8tor App);
- (b) provide the Company with sufficient working capital to meet its anticipated overhead and administrative expenses over 24 months following reinstatement to Official Quotation (see Section 7.4 for further details). On completion of the minimum raising of \$3,600,000 under the Public Offer, the Board believes the Company will have sufficient working capital to achieve these objectives;
- (c) meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules in order to obtain ASX's approval for reinstatement of the Company's Securities to quotation; and
- (d) remove the need for an additional disclosure document to be issued upon the sale of any Shares that are to be issued under the Public Offer by retail investors or the sale of any Securities issued under (or issued upon conversion of Performance Shares issued under) the Vendor Consideration Offer.

The Company intends on applying the funds raised under the Public Offer along with its current cash reserves in the manner detailed in Section 7.4.

## 7.4 Use of Funds

The Company intends to apply funds raised from the Public Offer, together with existing cash reserves, in the two years following re-admission to the Official List of the ASX (for the purpose of satisfying ASX's requirements for re-listing following a significant change to the nature and scale of the Company's activities) as follows:

Funds available	Minimum Subscription (\$3,600,000)	Percentage of Funds (%)	Maximum Subscription (\$5,000,000)	Percentage of Funds (%)
Existing cash reserves of the Company <sup>1</sup>	\$200,000	5.26%	\$200,000	3.85%
Funds raised from the Capital Raising	\$3,600,000	94.74%	\$5,000,000	96.15%
<b>Total</b>	<b>\$3,800,000</b>	<b>100%</b>	<b>\$5,200,000</b>	<b>100%</b>
Allocation of funds	Minimum Subscription (\$3,600,000)	Percentage of Funds (%)	Maximum Subscription (\$5,000,000)	Percentage of Funds (%)
Marketing Activities	\$980,000	25.79%	\$1,280,000	24.62%
Technology and Development <sup>3</sup>	\$1,720,000	45.26%	\$2,680,000	51.54%
Expenses associated with the Offer and Acquisition <sup>2</sup>	\$467,448	12.30%	\$553,028	10.64%
Working capital <sup>4</sup>	\$632,552	16.65%	\$686,972	13.20%
<b>TOTAL</b>	<b>\$3,800,000</b>	<b>100%</b>	<b>\$5,200,000</b>	<b>100%</b>

### Notes

- These funds represent existing cash held by the Company at or around the date of this Prospectus. The Company expects to incur costs within the ordinary course of its business which will diminish this amount prior to Settlement.
- Refer to Section 14.10 of this Prospectus for further details.
- Refer to the table below for an itemised more detailed cost of the Technology and Development:

Item	Full Subscription (\$)
Specialised voice engineers	850,000
Specialised app programmers	1,000,000
Equipment leasing & overheads	480,000
Design and marketing	250,000
Review potential additional acquisitions	100,000
<b>TOTAL</b>	<b>\$2,680,000</b>

- Working capital includes the general costs associated with the management and operation of the business including salaries & wages (approximately 58%), Payroll and other administration expenses (approximately 20%), maintenance of existing assets until divestment (approximately 20%) and other costs.

In the event the Company raises more than the Minimum Subscription amount of \$3,600,000 but less than the Maximum Subscription amount of \$5,000,000, the additional funds raised will be applied towards expenses associated with the Offers and Acquisition and then to the other items on a pro rata basis.

The above table is a statement of current intentions as of the date of lodgement of this Prospectus with the ASIC. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

Actual expenditure may differ significantly from the above estimates due to a change in market conditions, the development of new opportunities and other factors (including the risk factors outlined in Section 9).

On completion of the minimum raising of \$3,600,000 under the Public Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

## **7.5 Applications**

Applications for Securities under the Offers must be made using the relevant Application Form. By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

Completed Application Forms must be mailed or delivered to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by **no later than 5.00pm (WST) on the Closing Date**, which is currently scheduled to occur on 14 December 2015.

Applications under the Public Offer must be accompanied by payment in full in Australian currency by cheque or direct debit in accordance with the instructions set out in the Application Form. As stated above, the Shares under the Public Offer will be placed to investors decided by the Company and the Lead Manager. Accordingly, to participate in the Public Offer, you must be invited by Aleator or the Lead Manager and you should not complete an Application Form in relation to the Public Offer unless specifically directed to do so by the Lead Manager or Aleator.

Participation in the Vendor Consideration Offer is personal and personalised Application Forms in relation to the Vendor Consideration Offer will be issued to the relevant participants together with a copy of this Prospectus.

Where no issue is made under the Offers, Application monies will be refunded (without interest) to the Applicants as soon as practicable after the Closing Date.

The Company reserves the right to close the Offers early.

If you require assistance in completing an Application Form, please contact the Lead Manager on [\(03\) 8633 9831](tel:0386339831).

## **7.6 Issue of Shares and Allocation Policy**

### **(a) General**

Subject to the Minimum Subscription being achieved, the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date and in accordance with the timetable set out in Section 3.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

### **(b) Offers**

#### Public Offer

The Directors will determine the recipients of the Shares under the Public Offer in their sole discretion in consultation with the Lead Manager.

To participate in the Public Offer, you must be invited by Aleator or the Lead Manager and you should not complete an acceptance form in relation to the Public Offer unless specifically directed to do so by the Lead Manager or Aleator.

The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

There is no guaranteed allocation of Shares under the Public Offer. The Company's decision on the number of Shares to be allocated to an applicant will be final.

#### Vendor Consideration Offer

The Vendor Consideration Offer is a specific offer being made to Vonex Vendor. As such, the Consideration Securities under those Offers will be allocated and issued to those parties (or their nominees) only.

Allocation of the Vendor Consideration Offer to the Vonex Vendors (or their respective nominees) are guaranteed.

### **(c) Acceptance of Applications**

A completed Application Form is an offer by you to the Company to apply for the amount of Securities specified in the Application Form on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Application Form. To the extent permitted by law, an Application by an Applicant is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without



further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Securities to successful Applicants.

(d) **Defects in Applications**

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an Application as valid, or how to construe, amend or complete it, will be final.

(e) **Interest**

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

## **7.7 Quotation of Securities**

The Company will apply for Official Quotation of all Shares issued under this Prospectus within 7 days after the date of this Prospectus. However, Applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be re-admitted to the Official List (see Section 6.5). As such, the Shares may not be able to be traded for some time after the close of the Offers.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of this Prospectus, or such period as varied by the ASIC, or if ASX otherwise rejects the Company's application for re-admission to the Official List (see Section 6.5), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest. In those circumstances the Company will not proceed with the Acquisition.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

The Company will not apply for quotation of the Performance Shares to be issued under the Vendor Consideration Offer.

## **7.8 Clearing House Electronic Sub-Register System and Issuer Sponsorship**

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, operates CHESS. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with holding statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The holding statements will also advise holders of their Holder Identification Number (if the holder is broker sponsored) or Security Holder

Reference Number (if the holder is issuer sponsored) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of Securities can be transferred without having to rely upon paper documentation. Further, monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month. Shareholders may request a holding statement at any other time, however a charge may be made for such additional statements.

## **7.9 Applicants outside Australia**

This Prospectus does not, and is not intended to, constitute an offer of, or invitation to apply for, Securities in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Securities or otherwise permit an offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia.

If you are outside Australia, it is your responsibility to ensure compliance with all laws of any country relevant to, and obtain all necessary approvals for, the issue of the Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by Aleator to constitute a representation and warranty by you that there has been no breach of any such laws and all relevant approvals have been obtained.

Where this Prospectus has been dispatched to persons in jurisdictions outside of Australia, in which the securities legislation or regulation requires registration or any analogous treatment, this Prospectus is provided for information purposes only. Other than Australia, this Prospectus has not been and will not be registered under any such legislation or regulation or in any such jurisdiction.

### ***New Zealand***

The Offers to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings—Australia) Regulations 2008.

The Offers and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the Offers must be made.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to these Offers. If you need to make a complaint about an Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle

your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offers may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the securities are able to be traded on a securities market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

### ***Singapore***

This document and any other materials relating to the Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's securities, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### ***Hong Kong***

WARNING: This Prospectus has not been, and will not be, registered as a Prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of (**CWUMP**) Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and

Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the SFO). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Securities have not been and will not be offered or sold in Hong Kong by means of any document other than (a) to "professional investors" (as defined in the SFO) or (b) in other circumstances which do not result in the document being a "Prospectus" as defined in the CWUMP or which do not constitute an offer to the public within the meaning of the CWUMP.

No advertisement, invitation or document relating to the Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person issued Securities may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such Securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offers. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

#### **7.10 Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential Applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

#### **7.11 Lead Manager**

PAC Partners Pty Ltd has been appointed as the lead manager to the Offer in accordance with the terms of the Lead Manager Mandate. For further details on the Lead Manager Mandate and fees payable to PAC Partners please refer to Section 13.2(a).

#### **7.12 Commissions payable**

The Company reserves the right to pay a commission of 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications under the Public Offer lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

### **7.13 Enquiries**

If you have any queries in relation to the Offers, please contact Mark Rowbottom, a Director on +61 8 9385 0700.

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## **8. COMPANY OVERVIEW**

### **8.1 Business Overview**

As detailed in Section 6.1, the Company's primary operations up until 2006 was mineral exploration, following which it has been oil and gas exploration in Crimea and the USA. Further information can be found on the Company's website, <http://www.aleatorenergy.com.au>.

For the past 12 months, the Company has been evaluating alternative corporate opportunities, both in Australia and overseas.

As announced on 8 July 2015, the Company entered into the Acquisition Agreement, a summary of its material terms is set out in Section 13.1.

### **8.2 Direction of the Company and Existing Assets**

Following Settlement, it is the current intention of the Proposed Board to continue developing the Vonex Business and its operator App.

As announced on 31 August 2015, the Company entered into an agreement to sell its Ukraine subsidiary and assets. The sale completed and the Company has divested its Ukraine investments.

The Company intends to continue to hold its rights over the Golden Eagle oil and gas project in Utah USA, which remains shut in production and under suspension. The Existing Directors believe the project continues to have exploration upside and therefore intends to hold the project until it can be appropriately divested or partnered on terms that will derive the best outcome for Shareholders.

The Company also maintains its interest in the Johnston Range iron ore royalty with Cliffs Asia Pacific Iron Ore Pty Ltd, which will be retained.

Upon Settlement of the Acquisition, the Company's focus will shift from oil and gas exploration to the development of Vonex.

### **8.3 Background and overview of Vonex**

Vonex is an award winning Perth based technology company that has 3 distinctive divisions being a development and engineering arm, wholesale arm and its retail arm.

#### **Background to Vonex**

Vonex commenced as a voice engineering and technical development business, developing and commercialising a virtual, hosted (cloud) PBX (**Vonex PBX**). A PBX (Private Branch Exchange) is a telephone system within an enterprise that switches calls between enterprise users on local lines while allowing all users to share a certain number of external phone lines. Typically a PBX operates through a physical box into which all the telecommunication lines for an enterprise are connected.

The Vonex PBX has removed the need for a physical box and allows for the operation of the PBX to occur via the internet/cloud. The Vonex PBX means a business can have offices in multiple locations around a city, country or the world and transfer calls seamlessly between these locations.

The Vonex PBX is sold “white label” to internet telecommunication service providers (ITSP’s,) or small telecommunication carriers who in turn on sell the use of the Vonex PBX to end user enterprises, generally businesses. Often these wholesale clients will label the Vonex PBX under their own brand name hence the term “white label”.

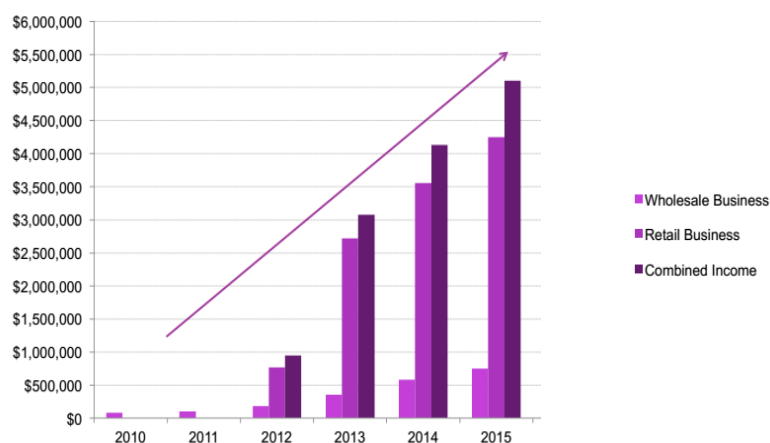
Additionally, in 2014, Vonex acquired its largest ITSP wholesale client, IP Voice and Data Pty Ltd, now trading as “Vonex Telecom”. Vonex Telecom supplies a carriage service to the public using networks owned by and operated by telecommunication carriers and they are known as a “Carriage Service Provider,” or a “CSP.” This acquisition enabled Vonex to increase revenue streams and gave them direct access to a dealer channel and the end user client base, giving Vonex the opportunity to provide the whole end to end service for Vonex PBX users.

Vonex’s engineering arm continues to operate and is currently developing the oper8tor App, a communications App that allows multi-platform voice, messaging and social media communications.

Vonex’s current revenues are generated through the wholesale arm and Vonex Telecom as set out below at Sections 8.5(a) and 8.5(b).

Vonex’s current audited revenue is more than \$4.5 million per annum, refer to the Investigating Accountant’s Report at Section 11 of this Prospectus.

#### HISTORICAL VONEX REVENUE (AUDITED)



Financial Year	2011	2012	2013	2014	2015
Sales Revenue	104,461	184,730	1,126,868	3,742,045	4,568,339
Gross Profit	77,632	100,391	426,037	1,110,137	1,526,840
Other Revenue <sup>1</sup>	190,014	232,679	370,263	362,568	304,006
Profit/(Loss)	(1,092,310)	(1,237,731)	(1,265,402)	(917,276)	(376,490)

Figures from Vonex audited accounts;

1. Research and Development Offset Grants

The figures above have been extracted from Vonex Limited's audited financial accounts for the years ended 30 June 2011 to 2015 inclusive. They demonstrate that the Vonex business has grown its revenue and gross profit year on year, providing greater coverage of the fixed operating expenses which coincides with a respective reduction in each year's operating loss. Investors should note that past performance is not a guide to future performance

For further details in relation to the financial information of Vonex, please refer to the financial statements of Vonex set out in the investigating Accountant's Report.

#### 8.4 Structure of the Vonex Group

Vonex and its subsidiaries (together the **Vonex Group**) are set out below.

<b>Parent entity:</b>	<b>Country of Incorporation</b>	<b>Percentage Owned (%)</b>	
		<b>2015</b>	<b>2014</b>
VoNEX Limited (ABN 98 138 092 483)	Australia		
<b><i>Subsidiaries of VoNEX Limited:</i></b>			
IP Voice and Data Pty Ltd (ABN 45 147 537 871)	Australia	100	100
VoNEX Holdings Pty Ltd (ACN 161 709 002)	Australia	100	100
Oper8tor Pty Ltd (ABN 14 601 220 633)	Australia	100	-
<b><i>Subsidiaries of IP Voice and Data Pty Ltd:</i></b>			
Ittrinity Australia Pty Ltd (ACN 131 196 886)	Australia	100	100

#### 8.5 Vonex Business/Key Assets

Vonex is an award winning company, winning the 2014 CRN Fast 50 (fastest growth over 12 months) in Australia as well as coming 16<sup>th</sup> in the Deloitte Fastest 500 Growing Technology Companies in the Asia Pacific region, (fastest growth over 12 months) dominated in rankings by North Asia and ahead of such companies like CarsGuide.com.au, WebJet and Vocus Communications.

2015 has been another award winning year where Vonex came 12<sup>th</sup> in the Deloitte Fast 50 (growth over 3 years minimum income \$8M cumulative) ahead of such companies as Vocus Communications, Nearmap and Big Air Group. Results are still pending for the Deloitte Fast 500 Asia Pacific due on the 4<sup>th</sup> of December 2015.

CEO Brydie McKee was also an official finalist, in the Western Australian Private & Corporate sector for the Telstra Business Women's Awards for 2015. In a record year of 23,000 nominations Australia wide, Brydie placed in the top 6 for Private and Corporate female leaders in Western Australia.



## 2015 Awards:



## 2014 Awards:



The main aspects of the Vonex Business involves:

### (a) **Wholesale of the Vonex PBX system**

The Vonex PBX removes the need for a physical PBX box and allows for the operation of the PBX via the internet/cloud. The Vonex PBX means a business can have offices in multiple locations worldwide and transfer calls seamlessly between these locations.

Accordingly, end users of the Vonex PBX are no longer limited by the one building or the need to operate call forwarding options when leaving the office or transferring to another physical location. Traditionally, this type of facility was very expensive requiring extensive network engineering and therefore only ever available to large corporations. Vonex's virtual PBX allows smaller enterprises to access this capability and dramatically reduces call costs as calls are made through the internet.

The use of Vonex PBX means all handsets and smart devices are connected to a central point on the internet, delivering cost and ease of use benefits, such as:

- **Physical geographical constraints:** as stated above users of the Vonex PBX are no longer limited by the one building or the need to operate call forwarding options when leaving the office or transferring to another physical location.
- **Mobile Smartphone integration:** mobile phones are able to be connected to the user's main Vonex PBX through the internet, no longer inconveniencing clients required to ring back or be forwarded when transferring calls between mobile and land lines.
- **Reduction in call costs:** as calls are made through the internet the costs of telecommunication services are reduced to a much lower rate. This reduces business uncertainty and overheads, which is seeing significant market traction for the Vonex business.
- **Ease of conversion from traditional business phone systems:** The Vonex PBX includes an AMPT (Automated Management and

Provisioning Terminal) which simplifies the transfer from the traditional business phone systems to the Vonex PBX. Previously the installation of a new PBX system was highly technical task requiring qualified technicians leading to long installation wait times. Through the AMPT, the process is now fully automated, meaning that the Vonex PBX system has the capability of being installed into offices within minutes so any technician, telecommunication sales person or business owner can now install the Vonex PBX including importing existing numbers. This allows PBX to meet demand quickly as well as providing small telecommunication companies to sell the Vonex PBX services without the need for technical knowledge.

Vonex sells the Vonex PBX white label to internet telecommunication service providers (**ITSP's**), or small telecommunication carriers who in turn on sell the Vonex PBX product to end users. The ITSP's and carriers (which Vonex refer to as "wholesalers") are then charged for each phone or device that is connected to the Vonex PBX platform.

(b) **Retail telecommunications business - Vonex Telecom**

Vonex Telecom operates as a full telecommunication carriage services provider (**CSP**), selling a range of telecommunication products including internet, mobile sim plans, phones, landlines, business fibre, phone plans, national broadband network (**NBN**) products and most importantly access to the Vonex PBX.

Vonex purchases all carrier services at wholesale rates directly from carriers.

Vonex Telecom services are sold either direct through their website or through its approximately 350 channel partners or resellers, who are typically small telecommunication companies, cloud service providers or PBX installers who mainly service businesses.

Vonex Telecom develops packages of its products for the channel partners to resell to the end user clients and generally earns a commission on such sales and ongoing royalties. Vonex Telecom also provides a support call centre service, dealing with enquires relating to administration, technical support, billing and hardware despatch for customers who have bought directly through Vonnex Telecom or through its channel providers. By offering this service for channel partners, Vonex allows channel resellers to focus on converting sales and acquiring more of the market share.

Vonex Telecom now produces 85% of Vonex's revenue and is an important part of the business keeping Vonex in touch with the needs of its customers and current market trends.

(c) **Technology development – oper8tor App**

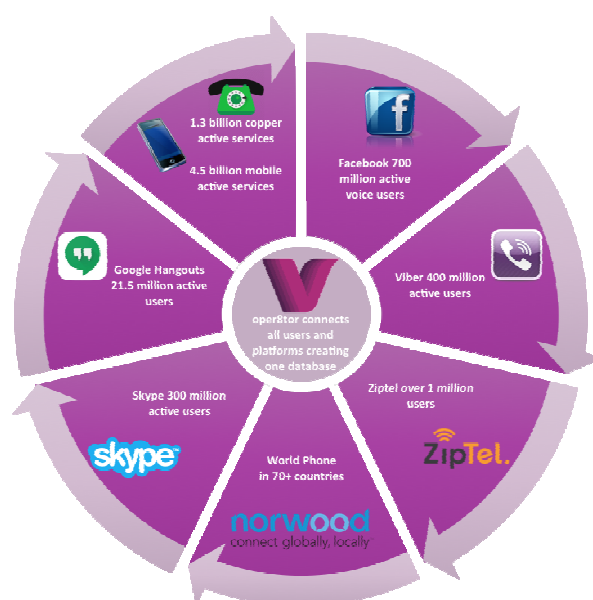
Vonex's development arm is currently developing an App that re-invents communications worldwide, called "oper8tor" (**oper8tor App**).

The oper8tor App has a target market of both consumers and providers and can be deployed worldwide. The technology behind the oper8tor App (**oper8tor Technology**) is owned by Vonex who have applied for a patent in respect of the technology. The Incoming Directors consider

that the patent pending phone app will be highly demanded due to its voice interoperability between Apps. The Incoming Directors consider that the more competitors that enter the market, the more need for the oper8tor App as only one App will be required to talk to several, essentially working as a communications broker between social media and traditional telecommunications.

The patent application is Australian Provisional Patent Application No. 2015902480, titled "System and Method for Establishing Communications Over a Plurality of Communication Platforms", filed 24 June 2015.

As it stands each user is required to download the same specific App to talk to another App (i.e. download Skype to talk to Skype, or Viber to Viber, or Facebook to Facebook, or Google to Google). The oper8tor App will eliminate the need for this as it aims to seamlessly link all voice calls across multiple platforms and devices around the world as well as messaging and by doing so will create an innovative piece of communication technology forcing notice.



On successful completion and commercialisation of the oper8tor App revenues are intended to be generated three ways after allowing the oper8tor App to be downloaded for free:

- (i) advertising on the oper8tor App;
- (ii) in app purchases of advanced oper8tor App features (hold, merge, transfer, conference, call blast etc.); and
- (iii) by selling call credit and making a margin on the calls used by customers.

## 8.6 Contractual arrangements

The Vonex Group is a party to a number of contractual arrangements with its wholesalers and channel partners. Vonex also has agreements with numerous service and hardware suppliers to assist with the provision of its services.

Vonex confirms that apart from the Licence Agreement summarised in Section 13.3(a) of this Prospectus such arrangements are either inter-changeable or Vonex has the ability to locate other service providers to provide necessary services. Accordingly, the Vonex Business and its ability to generate revenue would not be materially affected if these arrangements were cancelled or terminated with these third parties.

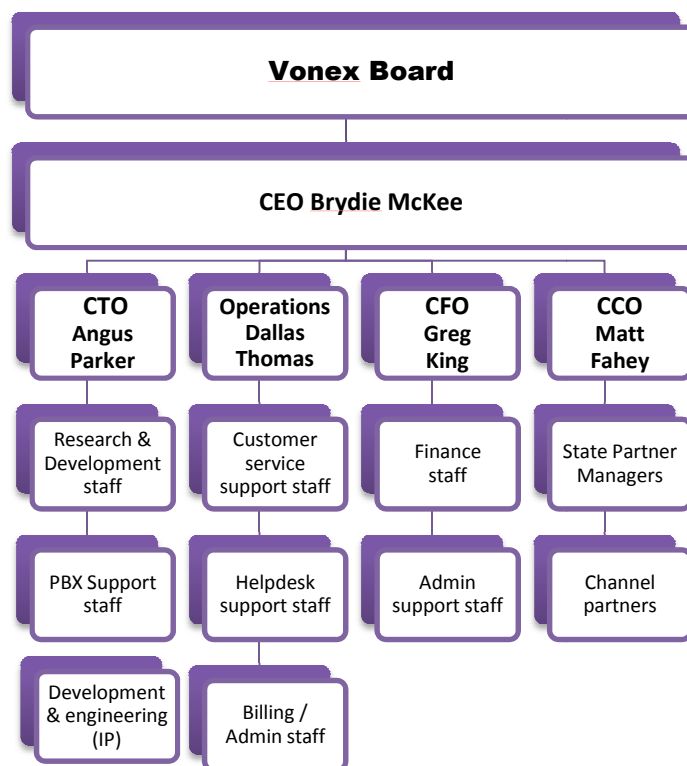
## 8.7 Membership based arrangements

As Vonex Telecom supplies a telecommunications carriage service to the public using networks owned by one or more carriers it is known by the ACMA (Australian Media and Communications Authority) as a CSP (Carriage Service Provider) not a carrier itself. This means that it does not have to comply with the extensive telecommunication regulations and licence requirements that apply to carriers.

Although there are no compulsory requirements for CSPs, Communications Compliance Ltd (**CommCom**) operates a compliance framework which is endorsed by the Telecommunications Industry Ombudsman (**TIO**). CommCom is an independent compliance monitoring body established under the Telecommunications Consumer Protections (**TCP**) Code C628:2012. The TCP Code contains a set of rules that aim to ensure the protection of consumer rights and to promote good customer service and fair outcomes for consumers. Vonex is a member of CommCom and complies with its framework, requiring Vonex to comply with obligations. All Carriage Service Providers (CSPs), including all Internet Service Providers (ISPs) and Internet Access Providers (IAPs), bound by the Code are not only required to comply with the obligations that relate to their dealings with consumers but must also lodge an annual compliance attestation and other documents with Communications Compliance. CSPs must also supply certain metrics to Communications Compliance. CSPs that have fulfilled their compliance document lodgement obligations can use the special CommCom Member 2013 logo on their website.

Vonex also has a membership with Asia Pacific Network Information Centre (**APNIC**) which allows Vonex to maintain its own IP ranges. In order to offer its services Vonex needs to host the Vonex PBX at various data centres through the assignment of Public IP addresses. Public IP addresses allow Vonex's services to be readily accessible across the internet or any part of the world with internet access. Further it introduces scalability to the Vonex platform allowing the ability to steer away from any NAT (network address translation) related issues. By maintaining the membership with APNIC, Vonex has the ability to own and manage its allocated IP ranges giving Vonex the ability to build a robust and resilient network.

## 8.8 Business Model



Vonex's business model is made up of three core businesses headed up by a team of executives. Each executive is the lead expert in their division which makes a scalable business model. The main aspects of revenue generation both currently and in the future are set out in Section 8.5.

## 8.9 Industry Overview

Vonex's products and services currently compete in the PBX and telecommunications markets in Australia and worldwide.

The Australian telecommunications industry is going through significant change.

The Australian Government has commenced converting the population's voice and internet services to its National Broadband Network (NBN) which will provide consumers and business in Australia access to much faster internet speeds - at least 50mbps to 90% of fixed line premises - (source nbn corporate plan 2016).

The rollout has commenced and aims to double the footprint every year for the next 3 years taking the premises ready for service from 1.2 million by end of FY15 to 9.1 million by the end of FY18 (source nbn corporate plan 2016).

Customers are required to connect via a retailer to the NBN network which is primarily a fibre network providing end users the option to use Voice over Internet or VoIP technologies.

Over the past 4 years Australian's have been increasingly using VoIP. At December 2014 28% of Australians had taken advantage of VoIP services and 21% had a paid subscription to a VoIP service (source ACMA Australian Communications and Media Authority Communications report – The Evolution of VoIP in Australia 2015).

Vonex is an NBN retailer specialising in Voice over the Internet (VoIP) and the current and proposed Board believe that Vonex is well positioned to participate in the perceived growth.

### **Virtual PBX systems**

Over the past two decades the internet has become pervasive in business and consumer communications and voice and other multi-media communications over the internet (generally referred to as VoIP) has become a dominant mode. In fact the business VoIP services, in particular managed IP PBX services have hit their stride, experiencing broad adoption among small, medium, and large enterprises.

According to the "Enterprise Unified Communications and Voice Equipment" report by IHS Infonetics, global enterprise PBX revenue fell 6 percent in the first quarter of 2015 (year-over-year), as more and more businesses are said to have discovered the cloud.

The analytics firm says that pure IP PBX was the only segment to post year-over-year growth as a result of high demand in the Asia Pacific area.

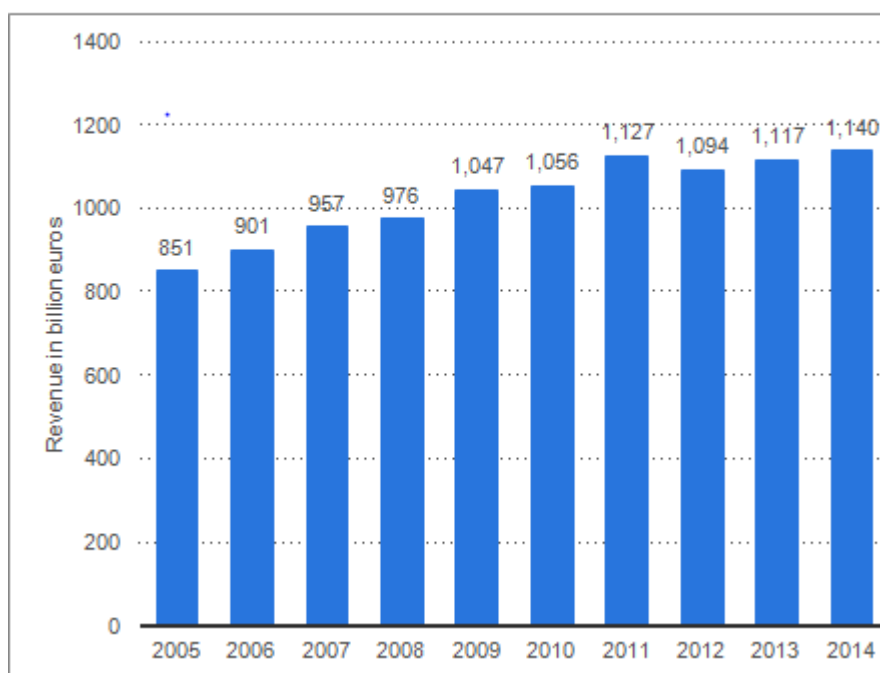
One of the key drivers of growth of the cloud solutions market is the total cost of ownership (TCO) advantages over traditional on-premise solutions. A TCO study by Frost and Sullivan, modelling small 50 agent contact centre configurations to larger 500 agent configurations showed significant cost savings of hosted/cloud solutions over on premise solutions over both three and five year periods.

### **Telecommunications**

One of the most marked developments in the field of telecommunications and technology in the last few decades has been enabling people to get in touch with one another quickly, through numerous means, while on the go. Communications and its ever-strengthening connection to mobility has become the most significant telecommunications development of recent years; allowing people to juggle daily schedules, home life and work. Major tech companies manufacture such devices and constantly develop them so that they continue to meet new organisational challenges presented during the course of every day life.

Telecommunication statistics on worldwide revenue from telecommunications services paint an interesting picture of the ever-changing, constantly developing industry. In 2011, over one trillion euros of revenue was generated in the telecommunications industry.

## Global revenue from telecommunications services from 2005 to 2014 (in billion euros)



(source: Statista)

### Carriage Service Providers

Telecommunications resellers are viewed as cost-effective distributors of network carriers' excess capacity, as they can service niche markets while diversifying the revenue stream of infrastructure owners. These opportunities have expanded over the past five years as consumers have increasingly shifted demand away from fixed-line networks and towards mobile networks. Handsets and mobile networks have undergone significant technological improvements over the past five years, fuelling strong demand for mobile connectivity. As more businesses and consumers have taken up mobile services, the Telecommunications Resellers industry has grown.

### 8.10 Future of Vonex

The aim for the future for Vonex is twofold, growth of the existing business through its wholesale and retail arms and secondly the development of and launch of the oper8tor App.

The Incoming Directors aim to achieve the growth in the telecommunications business through a number of new products, sales and marketing strategies which will also partly involve incentivising the Vonex reseller army of 350 plus nationwide. Vonex will also be actively looking for affordable and profitable client bases to purchase in assisting the company achieve its milestones.

### 8.11 Key Dependencies of the Company's Business Model

The key factors that the Company will depend on to meet its objectives are:

- (a) the successful completion of the Acquisition;

- (b) the recruitment of the correct personnel and retention of existing personnel;
- (c) the continued marketing of the Company's existing products and continual enhancements of those products; and
- (d) the continual development of products to meet the future demands of the telecommunication industry.

## **8.12 Growth Strategy**

For growth, the Company intends to increase Shareholder value as per the vision outlined above, by adopting the following strategies:

- (a) continually evaluating its personnel and looking for the best in the field;
- (b) development and launch the oper8tor App;
- (c) continually monitoring the telecommunications industry and looking for opportunities to develop new innovative products to address opening market needs; adopting appropriate portfolio and risk management policies to achieve operating efficiencies and maximise returns for investors;
- (d) if appropriate, ensuring the application of appropriate debt levels with a view to providing acceptable risk-adjusted returns; and
- (e) prudently and actively managing its administrative expenditure.

## **8.13 Funding**

The funding for the Company for the 24 months following re-admission to the Official List of ASX will be met by the offer of Shares pursuant to the Public Offer under this Prospectus and by the Company's existing cash reserves (see Section 7.4 for further details). As and when further funds are required, either for existing or future developments, the Company will consider both raising additional capital from the issue of securities and/or from debt funding.

## **8.14 Financial Information**

### **(a) Historical Financial Information**

The Investigating Accountant's Report contained in Section 11 of this Prospectus sets out:

- (i) the audited Statement of Financial Position and Statement of Comprehensive Income of the Company as at 30 June 2013, 2014 and 2015;
- (ii) the audited Statement of Financial Position and Statement of Comprehensive Income of Vonex as at 30 June 2013, 2014 and 2015; and
- (iii) a pro forma consolidated statement of financial position as at 30 June 2015, based on the above.

Investors are urged to read the Investigating Accountant's Report in full.



The full financial statements for the Company for its financial year ended 30 June 2015, which include the notes to the financial statements, can be found from the Company's ASX announcements platform on [www.asx.com.au](http://www.asx.com.au).

(b) **Forecasts**

The Directors and Incoming Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company and Vonex are inherently uncertain. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

## 8.15 Dividend Policy

It is anticipated that, following Settlement of the Acquisition, the Company will focus on the development of the Vonex business. This will likely require significant funding. Accordingly, the Company does not expect to declare any dividends during this period or in the short to medium term.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

## 8.16 Capital Structure

A pro forma capital structure following Settlement is set out below:

	Shares (assuming Minimum Subscription)	Shares (assuming Maximum Subscription)	Performance Shares	Performance Rights	Options
Current (pre-Consolidation) <sup>1</sup>	701,795,253	701,795,253	Nil	Nil	Nil
Current (post-Consolidation) <sup>1</sup>	233,931,751	233,931,751	Nil	Nil	Nil
Consideration Securities	233,333,333	233,333,333	400,000,000 <sup>2</sup>	Nil	Nil
Capital Raising	80,000,000	111,111,111	Nil	Nil	Nil
Performance Rights	Nil	Nil	Nil	17,222,222 <sup>3</sup>	Nil
Options to Lead Manager <sup>4</sup>	Nil	Nil	Nil	Nil	25,000,000
<b>TOTAL</b>	<b>547,265,084</b>	<b>578,376,195</b>	<b>400,000,000</b>	<b>17,222,222</b>	<b>25,000,000</b>

**Note:**

1. Assumes no further securities are issued prior to completion of the Acquisition, other than as set out in the table.
2. 133,333,333 Class A Performance Shares, 133,333,333 Class B Performance Shares and 133,333,334 Class C Performance Shares with terms and conditions set out in Schedule 1.

3. To be issued in accordance with the Performance Rights Plan as summarised in Section 14.5 and with the vesting conditions set out in Section 14.6.
4. On terms and conditions as set out in Section 14.4.

This is a statement of current intentions as at the date of this Notice. Intervening events may alter how the Company funds the Acquisition which may impact the proposed capital structure.

## 8.17 Substantial Shareholders

As at the date of this Prospectus, the following Shareholders hold 5% or more of the total number of Shares on issue (pre-Consolidation basis):

Shareholder	Shares	%
Confadent Limited <sup>1</sup>	105,000,000	14.96%
Revolve Projects Pty Ltd <The Hem A/C> <sup>2</sup>	42,000,000	5.98%

On completion of the Offers (assuming the Minimum Subscription is raised under the Public Offer), the following Shareholders are expected to hold 5% or more of the total number of Shares on issue (on a post Consolidation basis):

Shareholder	Shares	%
Finance West Pty Ltd atf Finance West Unit Trust <sup>1</sup>	59,697,992	10.91%
Carmine Lion Group Pty Ltd	45,835,311	8.38%
Confadent Limited	35,000,000	6.40%

### Notes

1. A company controlled by Proposed Director Ms McKee who is a director and majority shareholder of Finance West Pty Ltd.

## 8.18 Restricted Securities

Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offers, the Incoming Directors along with the Remaining Directors understand that certain Securities on issue may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.

Additionally, it is a term of the Acquisition Agreement that the Vonex Vendors will, subject to ASX restriction requirements, enter into voluntary escrow agreements so that at least 75% of each Vonex Vendors Consideration Securities will be escrowed for 12 months from Settlement.

During the period in which these Securities are prohibited from being transferred, trading in Securities may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Securities in a timely manner.

The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Company's listed securities being reinstated to trading on ASX (which reinstatement is subject to ASX's discretion and approval).

### **8.19 Top 20 Shareholders**

The Company will announce to the ASX details of its top 20 Shareholders following completion of the Offers and prior to the Shares re-commencing trading on ASX.

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## **9. RISK FACTORS**

### **9.1 Introduction**

An investment in the Company is not risk free and the Board strongly recommends that potential investors to consider the key risk factors detailed in the Investment Overview in Section 5D of the Prospectus as well as the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

This Section 9 identifies circumstances that the Board regard as the major risks associated with an investment in the Company and which may have a material adverse impact on the financial performance of the Company and the market price of the Shares if they were to arise.

There are risks associated with the contemplated Acquisition, specifically in relation to the success of the Company which may adversely impact the value of an investment in the Shares of the Company (Section 9.1(a)).

In addition, there are other general investment risks, many of which are largely beyond the control of the Company and its Directors (Section 9.1(c)).

The Remaining Directors along with the Incoming Directors aim, and will aim, to manage these risks by carefully planning the Company's activities and implementing risk control measures. However, some of the risks identified below are highly unpredictable and the Company is limited to the extent to which they can effectively manage them.

The following risk factors are not intended to be an exhaustive list of the risk factors to which the Company is exposed. In addition, this Section 9 has been prepared without taking into account offerees' individual financial objectives, financial situation and particular needs. Offerees should seek professional investment advice if they have any queries in relation to making an investment in the Company.

#### **(a) Risks relating to the Change in Nature and Scale of Activities**

##### **(i) Re-Quotation of Shares on ASX and Conditional Acquisition**

The Acquisition of Vonex constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.

It is also noted that the Acquisition remains subject to satisfaction or waiver of various conditions precedent, including completion of the Offer and raising of a minimum of \$3,600,000.

There is a risk that all the conditions precedent are not satisfied or waived. In this event the Company will continue to seek to focus on oil and gas exploration and look for potential business acquisitions to take the Company forward.

(ii) **Dilution Risk**

The Company currently has 701,795,253 Shares on issue (on a pre-Consolidation basis) equating to 233,931,751 Shares on a post-Consolidation basis (subject to rounding of individual shareholding). Upon Settlement of the Acquisition (assuming no further issue of Securities other than the Broker Options and the Maximum Subscription is raised) a total of up to 344,444,444 Shares, 400,000,000 Performance Shares, 25,000,000 Options will be issued, and:

- (A) the existing Shareholders will retain approximately 40.45% of the Company's issued Share capital;
- (B) the Vonex Vendors will hold approximately 40.34% of the Company's issued Share capital; and
- (C) the investors under the Capital Raising will hold approximately 19.21% of the Company's issued Share capital.

If the Performance Shares are converted, on the successful achievement of the relevant milestones or the Broker Options exercised the holdings of the existing Shareholders in the Company will be further diluted.

As approved at the General Meeting the Company will also issue, 17,222,220 Performance Rights. If the Performance Rights vest on the successful achievement of the relevant milestones the holdings of the existing Shareholders in the Company will be further diluted.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the Vonex Business.

(iii) **Liquidity Risk**

On Settlement, the Company proposes to issue the Consideration Securities to the Vonex Vendors. The Directors understand that ASX may treat a portion of these securities as restricted securities in accordance with Chapter 9 of the ASX Listing Rules. However, submissions will be made to the ASX to apply for cash formula relief in respect of the Consideration Securities. It is also a term of the Acquisition Agreement that on Settlement, the Vonex Vendors will enter into voluntary escrow agreements under which at least 75% of the Consideration Securities will be escrowed for 12 months from Settlement.

As a significant number of the Company's Shares will be subject to escrow upon Settlement, there is an increased liquidity risk as a large portion of issued capital may not be able to be freely traded for a period of time.

(iv) **Contractual Risk**

Pursuant to the Acquisition Agreement, Settlement is subject to the fulfilment of certain conditions precedent.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreement and the ability of the parties to achieve these conditions precedent.

If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

(b) **Risks in respect of Vonex's current operations**

(i) **Technology development and product commercialisation**

The success of Vonex will be impacted by the successful development and commercialisation of the Vonex technologies, specifically the oper8tor Technology.

The oper8tor App is in the development phase. Should the development not be completed in accordance with Vonex's specifications or should the results of further testing indicate technology performance is below market requirements, Vonex will have to expend additional time and resources to rectify any outstanding issues which will delay the commercialisation of the technology.

(ii) **Competition and new technologies**

There is significant competition in the telecommunications industry generally. Vonex's competitors include companies with significantly greater financial, technical, human, research and development and marketing resources than are currently available to Vonex. Vonex's competitors may develop technologies and products that perform better, have greater market acceptance. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose product developments, activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business.

Industries can change rapidly because of technological innovation, new product introductions, declining prices and evolving industry standards, among other factors. New solutions and new technology often render existing solutions and services obsolete, excessively costly or otherwise unmarketable.

As a result, the success of Vonex depends on Vonex being able to keep up with the latest technological progress and to develop or acquire and integrate new technologies into its existing business.

Advances in technology also require Vonex to commit resources to developing or acquiring and then deploying new technologies for use in operations.

(iii) **Interruptions to operations, including infrastructure and technology failure**

The availability of the Vonex PBX is dependent upon the performance, reliability and availability of its technology and communication systems. This includes its core technologies such as relevant softwares, computer services and back end processing systems. Accordingly, Vonex is exposed to short, medium or long-term interruptions to its operations as it relies on its infrastructure and technology to provide its customers with a highly reliable service. There may be a failure to deliver this level of service as a result of numerous factors, including:

- human error;
- power loss;
- improper maintenance by entities not related to Vonex;
- physical or electronic security breaches;
- fire, earthquake, hurricane, flood and other natural disasters;
- water damage;
- intentional damage to the networks from vandalism; and
- sabotage and vandalism.

In addition, Vonex's wholesalers or channel partners may be exposed to some of the above events that could significantly impact the operations of those entities, which could, in turn, materially and adversely affect Vonex's business, financial condition, results of operations and revenue.

(iv) **Relationships with key intellectual property licensors and technology**

Vonex uses intellectual property and technology developed in the course of its business that is owned by Vonex, however Vonex also relies on relationships with key intellectual property licensors and technology partners, from whom it licenses the right to use particular intellectual property and technology, such as Vodia (refer to Section 13.3 for summaries of material agreements).

Vonex's ability to construct, maintain and manage its existing wholesale and retail business is dependent on its ability to use particular intellectual property and technology, and any change in the ability to use intellectual property Vonex relies on may have an effect on Vonex's future financial performance and position.

(v) **Regulatory changes**

As Vonex is classified as a carrier services provider not a telecommunications carrier, it currently is not required to comply with any governmental law or regulations. However the telecommunication industry is one where governments have a significant investment, for example in Australia, the Australia's National Broadband Network.

Changes in government policy relating to the telecommunications industry may directly and indirectly affect the competitive landscape that Vonex operates in. New regulations may also give rise to significant requirements and compliance costs for Vonex and may have a material adverse effect on Vonex's costs, business model and competitive environment and therefore could materially adversely affect Vonex's future financial performance and position.

(vi) **Access to the Internet and other technology infrastructure**

As Vonex's services are designed primarily to work over the Internet, its revenue growth depends on its customers' low cost, high-speed access to the Internet, as well as the continued maintenance and development of the Internet infrastructure, including its access to IP providers. The future delivery of Vonex's services will depend on third-party Internet service providers to expand high-speed Internet access, to maintain a reliable network with the necessary speed, data capacity and security, and to develop complementary products and services for providing reliable and timely Internet access and services. The success of the Vonex Business depends directly on the continued accessibility, maintenance and improvement of the Internet as a convenient means of customer interaction.

Additionally, Vonex's ability to maintain its IP ranges and access to the cloud technology is important in order to offer its business grade voice services across the world. IP ranges are required to host the PBX system at various data centres and allows Vonex to assign public IP addresses to them, allowing Vonex's services to be readily accessible across the internet or any part of the world with internet access. Vonex's IP ranges are maintained through APNIC accordingly if Vonex does not maintain its membership with APNIC it will lose ownership and management of its allocated IP ranges which will be detrimental to the PBX operations and subsequent revenue generation from these services.

(vii) **Security Breaches and Hacker Attacks**

A malicious attack on Vonex's systems process or people from external or internal sources could put the integrity and privacy of customers' data and the Vonex PBX system and associated technology at risk. The impact of loss or leakage of customer or business data could include costs for rebates, potential service disruptions, litigation and brand damage resulting in reduced or falling revenues. Vonex follows best practise in relation to security policies, procedures, automated and manual



protection, encryption systems and staff screening to minimise this risk.

(viii) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the estimates summarised in Section 7.4 of this Prospectus. Although the Company and Vonex are not currently aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of Vonex and the Vonex Business.

(ix) **Protection of intellectual property rights**

Vonex's operator App and other technology used in the wholesale business and Vonex Telecom is partially reliant on its ability to protect and maintain its intellectual property interests. The ability of the Company to obtain and sustain patents, maintain trade secret protection and operate without infringing proprietary rights of third parties is therefore an integral part of the Company's business in the event that the Acquisition proceeds.

As set out in Section 8.5(c), Vonex has patent rights pending for its proprietary systems and methods for establishing electronic communications. However, if the patent rights are not granted and the Company fails to protect its future developments and intellectual property rights, competitors may gain access to its technology which would in turn harm its business.

The granting of protection, such as a registered patent, does not guarantee that the rights of others are not infringed, that competitors will not develop technology to avoid the patent or that third parties will not claim an interest in the intellectual property with a view to seeking a commercial benefit from the Company or its partners.

Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in every country in which Vonex's technologies may eventually be launched. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating its intellectual property.

The Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights or defending against claims it has infringed on a third party's patent or other intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and cause a distraction to management.

(x) **Failure to adequately prevent disclosure of trade secrets and other proprietary information**

Vonex relies on trade secrets to protect its proprietary know-how and technological advances, especially where it does not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. Vonex relies in part on confidentiality agreements with its employees, consultants and other advisors to protect its trade secrets and other proprietary information. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover Vonex's trade secrets and proprietary information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of Vonex's proprietary rights. Failure to obtain or maintain trade secret protection, or failure to adequately protect its intellectual property could enable competitors to develop generic products or use its proprietary information to develop other products that compete with Vonex's products or cause additional, material adverse effects upon Vonex's business, results of operations and financial condition.

(xi) **Reliance on attracting and retaining skilled labour**

Success of Vonex's operator activities will rely substantially on its ability to attract and retain skilled staff to assist with ongoing product development and planned product commercialisation activities. The departure, either temporary or permanent, of those key staff, or any delay in their replacement, could adversely affect Vonex's performance. Similarly, as a company seeking to grow and expand, Vonex's success in securing new talent will be critical going forward and may be constrained for a number of reasons. Market competition for such labour is intense, and the potential to employ undesirable staff is high. If the Company is unable to attract and retain skilled staff, this could potentially have adverse consequences to the Company's profitability.

(xii) **Reliance on Key Personnel**

Vonex's ability to develop and manage the growth of its businesses is dependent largely on the skills of Vonex's management team (Refer to Section 10.2). Changes in the management team may require appointment of new members, who have not yet been identified.

(xiii) **International Expansion**

Vonex's products and services will be used in various countries. It may therefore likely be subject to multiple overseas jurisdictions. In each different jurisdiction there may be increased compliance and operating costs. If and when it becomes necessary to have a local presence in overseas markets there will be increased overheads as well as development and marketing costs. There is no guarantee such

expansions will be successful and increased costs may adversely impact the profitability and working capital of Vonex.

(xiv) **Foreign Exchange Risks**

Vonex has and may have costs and expenses in other jurisdictions such as the United States of America and Europe. Vonex is potentially a global business and may generate revenue outside of Australia. Such financial transactions will likely be denominated in foreign currency, will be converted to Australian currency for reporting purposes and will therefore be affected by currency fluctuations, which may adversely impact on financial performance and position.

(xv) **Failure to deal with growth**

Vonex has the potential to grow rapidly. If that occurs and Vonex fails to properly manage that growth, then that failure could harm its business. Any failure to meet user demand properly could adversely affect the business, including demand for the technology, products and services, revenue, customer satisfaction and public perception.

(xvi) **Contracts**

Vonex have entered and will to continue to enter into agreements with counterparties. In such cases, there is the risk that counterparties may default on their obligations, which may in turn necessitate legal action. This could result in significant financial loss for Vonex. In some cases, the contracts that Vonex has entered into are governed in jurisdictions outside Australia. It may be more difficult to resolve disputes in such jurisdictions than it would be under Australian law. As such, Vonex cannot ensure that an appropriate legal resolution will be achieved.

(c) **General Risks Relating to the Company**

(i) **Trading Price of Shares**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including the performance of the Australian dollar and United States dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies including the Company have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No

assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(ii) **Additional Requirements for Capital**

The capital requirements of the Company depend on numerous factors. Depending on the ability of the Company to generate income from its operations, the Company may require further financing in addition to amounts raised under the Capital Raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

(iii) **Residual risks from continuing mineral exploration interests**

The Company will continue to be exposed to risks from its current oil and gas exploration interests in the USA until those interests are divested. There are no exploration activities currently being undertaken. These risks include unanticipated costs associated with tenement maintenance and rehabilitation.

(iv) **Litigation Risks**

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. Neither the Company nor Vonex is currently engaged in any litigation.

(v) **Economic Risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (A) general economic outlook;
- (B) interest rates and inflation rates;
- (C) currency fluctuations;
- (D) changes in investor sentiment toward particular market sectors;
- (E) the demand for, and supply of, capital; and

(F) terrorism or other hostilities.

(vi) **Force Majeure**

The Company, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(vii) **Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, technologies and/or products that are complementary to the Vonex Business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

(d) **Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above risk factors, and others not specifically referred to above, may materially affect the future financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

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## 10. BOARD, MANAGEMENT AND INTERESTS

### 10.1 Directors

As at the date of this Prospectus, the Board comprises of:

- (a) Mr Lewis Cross (Non-Executive Chairman);
- (b) Mr Gennady Varitsky (Non-Executive Director); and
- (c) Mr Mark Rowbottam (Executive Director),

(together, the **Existing Directors**).

It is proposed that upon Settlement of the Acquisition:

- (a) Ms Brydie McKee and Mr Angus Parker will be appointed to the Board of the Company (together, **Incoming Directors**); and
- (b) Mr Gennady Varitsky intends to resign as a Director.

Following Settlement, Mr Lewis will be considered an independent Director of the Company and Mr Rowbottam, Ms McKee and Mr Parker will not be considered independent Directors.

The profiles of each of the current Directors are set out below:

(a) **Mr Lewis Cross (Non-Executive Chairman)**

Mr Cross is a Certified Practising Accountant. He has a Bachelor of Business majoring in Accounting from Curtin University and is a Fellow of the Institute of Company Directors.

Mr Cross has been involved in the mining industry for many years as well as various other industries in the course of his work in providing accounting and business consulting services, he has had a lot of experience as a Company Director. He is also currently a Director of Aspermont Limited.

(b) **Mr Gennady Varitsky (Non-Executive Director)**

Mr Varitsky has spent the last seven years as an executive and director of Ukraine oil and gas companies focussed on developing energy assets within the Ukraine. He has substantial experience in the sector and has assisted a number of western companies enter the Ukraine oil and gas sector, including the Company's acquisition of its interest in the Povorotnoye field. He holds degrees in Social Studies and Law and was formerly the Head of the Legal Department of the Ukraine Naval Forces and Head of International Law in the Ministry of Defence. After leaving the Defence Forces, Mr Varitsky held positions as Legal Advisor and International Practice Partner with Grant Thornton Ukraine.

(c) **Mr Mark Rowbottam (Executive Director)**

Mr Rowbottam is an experienced corporate executive, advisor and company director. Mr Rowbottam has undergraduate science qualifications and a Master of Business Administration with specialties in corporate administration and marketing. He is a Fellow of the Securities

Institute of Australia and active member of the Australian Institute of Company Directors

Mr Rowbottam has more than 20 years' experience in the corporate and financial arena and has been involved in many ASX capital raisings, mergers/acquisitions and corporate transactions in the biotechnology, technology, mineral and energy sectors.

## **10.2 Incoming Directors and Senior Management**

The profiles of the Incoming Directors and the Senior Management of Vonex are set out below:

**(a) Ms Brydie McKee (Incoming Director and Vonex Chief Executive Officer)**

Ms McKee is co-founder and CEO of Vonex– recognised as one of the fastest growing IT companies in Australia, placing #1 in the CRN Fast50 2014 and recently named one of the finalists in the Western Australian Telstra Business Womens Corporate & Private Awards for 2015.

Ms McKee has a diploma in Finance and Management and is currently working towards her MBA and AICD in 2016. She is an experienced company director with a solid background of 30 years in Executive Management, Finance, Banking, IT and telecommunications where she has excellent networks and is a respected leader in the ICT industry both nationally and internationally.

**(b) Mr Angus Parker (Incoming Director and Vonex Chief Technology Officer)**

Mr Parker is co-founder and CTO of Vonex Ltd. He is a futurist and innovator, with a track record in advancing technology. With 10+ years' experience in the development of VoIP products and solutions, he works with world leaders in the field to establish products for Vonex Ltd.

His vision has led him to all corners of the globe, where, as CTO, he leads the development world with cloud-based solutions to assist in connecting people.

As disclosed in the Notice of Meeting, Mr Parker declared bankruptcy on 28 February 2006 resulting from a failed IT business. Mr Parker maintained his relationship with, and repaid all creditors in full. Mr Parker was released from bankruptcy on 28 February 2013.

**(c) Mr Greg King (Vonex Chief Financial Officer)**

Mr King has over 25 years experience in the Australian financial services sector and joined Vonex as Chief Financial Officer shortly after its inception. Mr King has a strong commitment to corporate governance practices and standards and has developed effective systems and internal controls to ensure all due diligence is met and managed efficiently. He is a key member of the executive leadership team and has created a culture of excellent corporate governance which contributes to the company performance and shareholder value.

(d) **Mr Matt Fahey (Vonex Chief Commercial Officer)**

Mr Fahey joined Vonex Ltd in 2013, through the Vonex Group's acquisition of iTrinity (IP Voice & Data) where he had served as a Director on the Board of Directors for Vonex and IP Voice and Data. As Sales Director he has brought his solid experience with business customers and reputation for excellence in VoIP and Telco solutions. 2014 saw amazing growth for Vonex Ltd with the partner program increasing from 90 to 230 partners in just over a year.

Mr Fahey transitioned from Sales Director at Vonex Ltd to Chief Commercial Officer and is part of the executive leadership team responsible for commercial strategy and development. Mr Fahey oversees marketing, sales and the development of diverse products in order to drive business growth and expand Vonex's market share.

(e) **Mr Dallas Thomas (Vonex Chief Operating Officer)**

Mr Thomas has over 20 years' experience in the Australian Telecommunications industry. Starting in sales when the market first deregulated, then soon moving into administrative and management roles with various Brisbane based telcos. Billing management became the primary skill with now some 15 years' experience in what is still the most fundamental aspect of a Telco company.

### 10.3 Personal Interests of Existing Directors and Incoming Directors

Directors are not required under the Company's current constitution or the new Constitution to hold any Shares to be eligible to act as a director. Information regarding the Existing Directors' and Incoming Directors' remuneration and relevant interests in Shares immediately prior to completion of the Offers and upon completion of the Offers are set out in the table below:

#### Interests at date of this Prospectus

Director	Remuneration for year ended 30 June 2014	Remuneration for year ended 30 June 2015	Proposed remuneration for year ended 30 June 2016 <sup>7</sup>	Shares	Other Securities
<b>Existing Directors</b>					
Lewis Cross	\$66,551	Nil	\$85,000	3,450,722 <sup>1</sup>	Nil <sup>2</sup>
Mark Rowbottom <sup>8</sup>	\$254,005	\$197,100	\$250,000	5,066,943 <sup>3</sup>	Nil <sup>4</sup>
Gennady Varitsky	\$27,000	Nil	\$15,000	1,194,445 <sup>5</sup>	Nil
<b>Incoming Directors</b>					
Brydie McKee	N/A	N/A	\$250,000	700,000 <sup>6</sup>	Nil <sup>6</sup>
Angus Parker	N/A	N/A	\$220,000	Nil <sup>7</sup>	Nil <sup>7</sup>



**Notes:**

1. Being 10,352,167 Shares on a pre-Consolidation basis of which 3,512,000 Shares are held by Peterborough Nominees Pty Ltd <ATF Capital Development Fund> which Mr Cross is a director and shareholder and 6,840,167 Shares are held by Capital Development Pty Ltd <ATF Capital Development Fund> which Mr Cross is a director and shareholder.
2. As approved at the General Meeting, Mr Lewis or his nominee will be entitled to participate in the Public Offer and subscribe for up to 2,222,222 Shares.
3. Being 15,200,828 Shares on a pre-Consolidation basis of which 4,790,001 Shares are held by Heelmo Holdings Pty Ltd <ATF Rowbottam Super Fund> of which Mr Rowbottam is a director, shareholder and beneficiary and 10,410,827 Shares are held by M Rowbottam <ATF MJR SOLUTIONS A/C> of which Mr Rowbottam is also a beneficiary.
4. As approved at the General Meeting, Mr Rowbottam or his nominee will receive 5,000,000 Performance Rights under the terms of the Performance Rights Plan as summarised in Section 14.5.
5. Being 3,583,334 Shares on a pre-Consolidation basis which are held by Bogart Group Ltd which Mr Varitsky is a director, shareholder and beneficiary.
6. Being 2,100,000 Shares on a pre-Consolidation basis which are held by Ms McKee indirectly by Midas Superannuation Fund of which Ms McKee is a beneficiary. Additionally, as approved at the General Meeting, Ms McKee or her nominee will:
  - a. receive 60,558,092 Shares and 103,813,873 Performance Shares, being 34,604,625 Class A Performance Shares, 34,604,624 Class B Performance Shares, and 34,604,623 Class C Performance Shares (on terms summarised in section 14.3) under the Vendor Consideration Offer ;
  - b. be entitled to participate in the Public Offer and subscribe for up to 1,111,111 Shares; and
  - c. receive 6,111,110 Performance Rights under the terms of the Performance Rights Plan as summarised in Section 14.5.
7. As approved at the, Mr Parker or his nominee will:
  - a. receive 1,122,049 Shares and 105,111,536 Performance Shares being 641,170 Class A Performance Shares, 641,171 Class B Performance Shares, and 641,171 Class C Performance Shares, (on terms summarised in section 14.3) under the Vendor Consideration Offer ;
  - b. be entitled to participate in the Public Offer and subscribe for up to 1,111,111 Shares; and
  - c. receive 6,111,110 Performance Rights under the terms of the Performance Rights Plan as summarised in Section 14.5.
8. Mr Rowbottam is owed \$221,046 in respect of director fees.

The Company's Constitution provides that the remuneration of Non-Executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The Constitution provides that the aggregate remuneration for Non-Executive Directors is initially \$500,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting.

The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

#### **10.4 Existing Director and Incoming Director participation in the Public Offer**

As approved by Shareholders at the General Meeting the following Existing Directors and Incoming Directors propose to subscribe for Shares under the Public Offer:

- (a) Lewis Cross proposes to subscribe for up to 2,222,222 Shares;

- (b) Brydie McKee proposes to subscribe for up to 1,111,111 Shares; and
- (c) Angus Parker proposes to subscribe for up to 1,111,111 Shares.

#### **10.5 Agreements with Directors**

The agreements the Company has entered into with Existing Directors and Incoming Directors are listed in Sections 13.4 - 13.7 (inclusive).



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2 December 2015

The Directors  
Aleator Energy Limited  
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Claremont WA 6010

Dear Directors

## INVESTIGATING ACCOUNTANT'S REPORT

### Independent Limited Assurance Report ("Report") on Aleator Energy Limited's historical and pro forma historical financial information

#### Introduction

We have been engaged by Aleator Energy Limited ("AWD" or "Company") to report on the historical financial information and pro forma historical financial information of the Company as at and for the three years ended 30 June 2015 for inclusion in the public document in connection with the proposed acquisition of Vonex Limited ("Vonex") and capital raising via a prospectus of the Company, pursuant to which the Company is offering up to 111,111,111 Shares at an issue price of \$0.045 per Share to raise up to \$5,000,000 with a minimum subscription of 80,000,000 Shares to raise at least \$3,600,000 ("Public Offer") and an offer of 233,333,333 Shares and up to 400,000,000 Performance Shares (being 133,333,333 Class A Performance Shares, 133,333,333 Class B Performance Shares and 133,333,334 Class C Performance Shares) ("Consideration Securities") to the Vonex Vendors ("Vendor Consideration Offer") dated on or about 2 December 2015 ("Prospectus").

Expressions and terms defined in the Prospectus have the same meaning in this Report.

#### Background

AWD is an ASX listed company. On 8 July 2015, the Company announced that it had entered into a binding heads of agreement ("Acquisition Agreement") with Vonex and Shareholders of Vonex who together hold 50.14% of Vonex Shares ("Majority Shareholders") for the option ("Vonex Option") to conditionally acquire 100% of the issued capital in Vonex ("Acquisition").

The Company announced to ASX on 13 August 2015 that it had exercised the Vonex Option and announced to ASX on 2 September 2015 that the Company and Vonex had completed the substantive aspects of their due diligence.

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RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847

## Scope

### Historical financial information

You have requested RSM Corporate Australia Pty Ltd (“RSM”) to review the following historical financial information of the Company and Vonex included in the Prospectus at the Appendix to this Report:

- the consolidated statement of comprehensive income for each of the three years ended 30 June 2015 of the Company and Vonex;
- the consolidated statements of financial position as at 30 June 2015 for the Company and Vonex;

together the “Historical Financial Information”. The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company’s and Vonex’s adopted accounting policies. The Historical Financial Information has been extracted from:

- the financial statements of the Company for each of the three years ended 30 June 2015, which were audited by RSM Australia Partners, in accordance with the Australian Auditing Standards. RSM Australia Partners issued audit opinions as follows:
  - For the 30 June 2015 financial year a qualified audit opinion and an emphasis of matter on the Company’s ability to continue as a going concern were issued. The audit opinion was qualified because of the disclaimer of opinion (discussed below) issued on the 30 June 2014 financial statements as to the carrying amounts of a) deferred exploration and evaluation expenditure, and b) assets located in Ukraine, where the auditor was unable to obtain sufficient appropriate audit evidence and the possible effect of impairment charges in the year ended 30 June 2015 may have had on the comparability of the current year figures and corresponding figures and the Company’s performance for the year ended 30 June 2015;
  - For the 30 June 2014 financial year a disclaimer of opinion and an emphasis of matter on the Company’s ability to continue as a going concern were issued. The auditor was not able to form an opinion in respect of being unable to obtain sufficient appropriate audit evidence as to a) the recoverability of deferred exploration and evaluation expenditure resulting from the uncertainties relating to the adoption of the going concern basis of accounting, and b) the carrying amounts of assets located in Ukraine where geo-political uncertainties suspended exploration activities. The auditor was unable to determine whether any adjustments to these amounts were necessary; and
  - For the 30 June 2013 financial year an unqualified audit opinion was issued with an emphasis of matter on the Company’s ability to continue as a going concern; and
- the financial statements of Vonex for each of the three years ended 30 June 2015, which were audited by Australian Audit Group Pty Ltd, in accordance with the Australian Auditing Standards. Australian Audit Group Pty Ltd issued unqualified audit opinions for each of the years ended 30 June 2015, 30 June 2014 and 30 June 2013 however the audit opinion in each year included an emphasis of matter on Vonex’s ability to continue as a going concern.

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

## Pro forma historical financial information

You have requested RSM to review the pro forma historical consolidated statement of financial position as at 30 June 2015 referred to as “the Pro Forma Historical Financial Information”.

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Company and Vonex after adjusting for the effects of the subsequent events and pro forma adjustments described in Note 1 of the Appendix to this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the subsequent events and pro forma adjustments relate, as described in Note 1 of the Appendix to this Report, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s actual or prospective financial position or statement of comprehensive income, and/or cash flows.

## Directors’ responsibility

The Directors of the Company and Vonex are responsible for the preparation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

## Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making such enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Our procedures included:

- a consistency check of the application of the stated basis of preparation, to the Historical And Pro Forma Historical Financial Information;
- a review of the Company’s, Vonex’s and their auditors’ work papers, accounting records and other documents;
- enquiry of directors, management personnel and advisors;
- consideration of subsequent events and pro-forma adjustments described in Note 1 of the Appendix to this report; and
- performance of analytical procedures applied to the pro forma historical financial information.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusions

### Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendix to this Report, and comprising:

- the Consolidated Statement of Comprehensive Income for each of the three years ended 30 June 2015 of both the Company and Vonex; and
- the Consolidated Statements of Financial Position as at 30 June 2015 of both the Company and Vonex;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Note 1 of the Appendix to this Report.

### Pro Forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as described in the Appendix to this Report, and comprising the Consolidated Statements of Financial Position as at 30 June 2015 of both AWD and Vonex are not presented fairly in all material respects, in accordance with the stated basis of preparation, as described in Note 1 of the Appendix of this Report.

## Restriction on Use

Without modifying our conclusions, we draw attention to the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

## Responsibility

RSM has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included. RSM has not authorised the issue of the Prospectus. Accordingly, RSM makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Prospectus.

## Disclosure of Interest

RSM does not have any pecuniary interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. RSM will receive a professional fee for the preparation of this Report

Yours faithfully

*Andrew Gilmore*  
A J GILMOUR  
Director

## Appendix – Historical and Pro Forma Financial Information Aleator Energy Limited

### ALEATOR ENERGY LIMITED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 30 JUNE 2015, 30 JUNE 2014 AND 30 JUNE 2013

	Audited 30-Jun-15 \$	Audited 30-Jun-14 \$	Audited 30-Jun-13 \$
Revenue and other income	7,699	790	48,197
Corporate and administration expenses	(467,383)	(575,763)	(1,116,300)
Depreciation expense	(3,843)	(33,142)	(30,018)
Director and employee benefits expense	(219,445)	(805,148)	(1,138,187)
Finance costs	(108,651)	(427,875)	(164,343)
Impairment expense	(71,851,163)	(12,662)	(239,372)
Loss on disposal of plant and equipment	(33,897)	-	-
Share based payments	-	(213,819)	-
Loss before income tax	<u>(72,676,683)</u>	<u>(2,067,619)</u>	<u>(2,640,023)</u>
Income tax expense	-	-	-
<b>Net loss for the year</b>	<u>(72,676,683)</u>	<u>(2,067,619)</u>	<u>(2,640,023)</u>
<b>Other comprehensive income</b>			
Foreign currency translation	<u>6,444,455</u>	<u>(1,725,619)</u>	<u>5,806,724</u>
<b>Total comprehensive income/(loss) for the period</b>	<u><u>(66,232,228)</u></u>	<u><u>(3,793,238)</u></u>	<u><u>3,166,701</u></u>

Investors should note that past results are not a guarantee of future performance.



**Appendix – Historical and Pro Forma Financial Information**  
**Aleator Energy Limited**

**VONEX LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED 30 JUNE 2015, 30 JUNE 2014 AND 30 JUNE 2013**

	Audited 30-Jun-15 \$	Audited 30-Jun-14 \$	Audited 30-Jun-13 \$
Sales revenue	4,568,339	3,742,045	1,126,868
Cost of sales	<u>(3,041,499)</u>	<u>(2,631,908)</u>	<u>(700,831)</u>
Gross profit	1,526,840	1,110,137	426,037
Other revenue	304,006	362,568	370,263
Administration expenses	(221,748)	(226,176)	(242,139)
Amortisation	(72,504)	(75,474)	(15,317)
Audit fees	(20,000)	(14,500)	(22,150)
Bad and doubtful debts	(23,524)	(3,653)	(10,233)
Contractor expenses	(276,254)	(545,235)	(287,004)
Depreciation expenses	(66,709)	(100,425)	(147,094)
Finance costs	(156,543)	(55,988)	(10,127)
Occupancy costs	(77,779)	(115,002)	(118,281)
Other expenses	(126,748)	(25,455)	-
Repairs and maintenance	(951)	(7,341)	(5,977)
Travel expenses	(61,630)	(40,697)	(81,382)
Employee expenses	<u>(1,102,946)</u>	<u>(1,180,035)</u>	<u>(1,121,998)</u>
<b>Loss before income tax expense</b>	<b>(376,490)</b>	<b>(917,276)</b>	<b>(1,265,402)</b>
Income tax	-	-	-
<b>Loss for the period</b>	<b><u>(376,490)</u></b>	<b><u>(917,276)</u></b>	<b><u>(1,265,402)</u></b>
Other comprehensive income	-	-	-
<b>Total comprehensive loss for the period</b>	<b><u><u>(376,490)</u></u></b>	<b><u><u>(917,276)</u></u></b>	<b><u><u>(1,265,402)</u></u></b>

Investors should note that past results are not a guarantee of future performance.

**Appendix – Historical and Pro Forma Financial Information  
Aleator Energy Limited**

**ALEATOR ENERGY LIMITED  
CONSOLIDATED PRO FORMA STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2015**

	Note	Aleator Audited 30-Jun-15 \$	Vonex Audited 30-Jun-15 \$	Subsequent events Unaudited 30-Jun-15 \$	Pro forma adjustments Unaudited 30-Jun-15 \$	Pro forma consolidated Unaudited 30-Jun-15 \$
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	3	19,822	177,901	905,370	4,446,972	5,550,065
Trade and other receivables		114,187	511,767	-	-	625,954
Other assets		-	124,285	-	-	124,285
		<u>134,009</u>	<u>813,953</u>	<u>905,370</u>	<u>4,446,972</u>	<u>6,300,304</u>
Non-current assets held for sale	4	250,000	-	(250,000)	-	-
<b>TOTAL CURRENT ASSETS</b>		<b><u>384,009</u></b>	<b><u>813,953</u></b>	<b><u>655,370</u></b>	<b><u>4,446,972</u></b>	<b><u>6,300,304</u></b>
<b>NON-CURRENT ASSETS</b>						
Trade and other receivables		201,652	-	-	-	201,652
Plant and equipment		508	219,785	-	-	220,293
Intangible assets	2, 5	-	579,172	-	16,542,638	17,121,810
Other non-current assets		-	50,927	-	-	50,927
		<u>202,160</u>	<u>849,884</u>	<u>-</u>	<u>16,542,638</u>	<u>17,594,682</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>202,160</u></b>	<b><u>849,884</u></b>	<b><u>-</u></b>	<b><u>16,542,638</u></b>	<b><u>17,594,682</u></b>
<b>TOTAL ASSETS</b>		<b><u>586,169</u></b>	<b><u>1,663,837</u></b>	<b><u>655,370</u></b>	<b><u>20,989,610</u></b>	<b><u>23,894,986</u></b>
<b>CURRENT LIABILITIES</b>						
Trade and other payables	6	1,268,246	1,729,397	(44,630)	(311,951)	2,641,062
Borrowings	7	143,846	683,993	(100,000)	(569,199)	158,640
Provisions		43,182	-	-	-	43,182
		<u>1,455,274</u>	<u>2,413,390</u>	<u>(144,630)</u>	<u>(881,150)</u>	<u>2,842,884</u>
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>1,455,274</u></b>	<b><u>2,413,390</u></b>	<b><u>(144,630)</u></b>	<b><u>(881,150)</u></b>	<b><u>2,842,884</u></b>
<b>NON-CURRENT LIABILITIES</b>						
Trade and other payables		-	53,267	-	-	53,267
Borrowings		-	31,017	-	-	31,017
		<u>-</u>	<u>84,284</u>	<u>-</u>	<u>-</u>	<u>84,284</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b><u>-</u></b>	<b><u>84,284</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>84,284</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>1,455,274</u></b>	<b><u>2,497,674</u></b>	<b><u>(144,630)</u></b>	<b><u>(881,150)</u></b>	<b><u>2,927,168</u></b>
<b>NET ASSETS</b>		<b><u>(869,105)</u></b>	<b><u>(833,837)</u></b>	<b><u>800,000</u></b>	<b><u>21,870,760</u></b>	<b><u>20,967,818</u></b>
<b>EQUITY</b>						
Issued capital	8	84,110,564	4,802,191	800,000	15,574,881	105,287,636
Reserves	9	(2,328,787)	19,114	-	455,886	(1,853,787)
Accumulated losses	10	(82,579,816)	(5,655,142)	-	5,839,993	(82,394,965)
Equity attributable to the owners of Aleator Energy Limited		<u>(798,039)</u>	<u>(833,837)</u>	<u>800,000</u>	<u>21,870,760</u>	<u>21,038,884</u>
Non-controlling interest		<u>(71,066)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(71,066)</u>
<b>TOTAL EQUITY</b>		<b><u>(869,105)</u></b>	<b><u>(833,837)</u></b>	<b><u>800,000</u></b>	<b><u>21,870,760</u></b>	<b><u>20,967,818</u></b>

The unaudited consolidated pro forma statement of financial position represents the reviewed consolidated statement of financial position of the Company as at 30 June 2015 adjusted for the subsequent events and pro-forma transactions outlined in Note 1 of this Appendix. It should be read in conjunction with the notes to the historical and pro forma financial information.

## **Appendix – Historical and Pro Forma Financial Information Aleator Energy Limited**

### **1. Introduction**

The financial information set out in this Appendix consists of the consolidated statement of financial position as at 30 June 2015 and the statement of comprehensive income for the years ended 30 June 2013, 30 June 2014 and 30 June 2015 (“the Historical Financial Information”) together with a pro forma consolidated statement of financial position reflecting the Directors’ pro forma adjustments (“the Pro Forma Historical Financial Information”).

The Pro Forma Historical Financial Information has been compiled by adjusting the consolidated statements of financial position of the Company and Vonex for the impact of the following subsequent events and pro forma adjustments:

#### **Adjustments adopted in compiling the Pro Forma Historical Financial Information**

The Pro Forma Historical Consolidated Information has been prepared by adjusting the historical consolidated financial information to reflect the financial effects of the following subsequent events which have occurred in the period since 30 June 2015 and the date of this Report:

- (i) The issue of 140,000,000 pre-consolidation ordinary AWD shares at \$0.005 per share to raise \$700,000 in funds to assist the Acquisition;
- (ii) Settlement of \$100,000 in borrowings through the issue of 20,000,000 pre-consolidation shares in the Company;
- (iii) Completion of the sale of non-current assets held for sale for \$250,000 cash, of which \$44,630 had already been received at 30 June 2015; and

and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the Acquisition and the Capital Raising.

- (iv) The consolidation of AWD’s ordinary shares on a ratio of 3:1;
- (v) Convertible notes in Vonex, together with interest incurred, being written off to the value of \$569,199.
- (vi) Settlement of \$127,100 in trade and other payables through the issue of 4,000,000 post-consolidation shares in the Company plus agreements executed with creditors (employees) to write-off \$184,851 in amounts payable by the Company;
- (vii) The acquisition of 100% of the issued capital of Vonex through the issue of 233,333,333 post-consolidation ordinary AWD shares and 400,000,000 Performance Shares (being 133,333,333 Class A Performance Shares, 133,333,333 Class B Performance Shares and 133,333,334 Class C Performance Shares) (“Consideration Securities”);
- (viii) The issue of 111,111,111 (minimum 80,000,000) post-consolidation ordinary AWD shares at \$0.045 each to raise \$5,000,000 (minimum \$3,600,000) pursuant to the Prospectus;
- (ix) The issue of 25,000,000 options in the Company are to be issued to advisors for services rendered in relation to the Public Offer; and
- (x) Payment of cash costs of the Public Offer estimated to be \$553,028 (minimum \$467,448).

The Pro Forma Consolidated Financial Information has been presented in abbreviated form and does not contain all the disclosures usually provided in an Annual Report prepared in accordance with the *Corporations Act 2001*.

## **Appendix – Historical and Pro Forma Financial Information Aleator Energy Limited**

### **Statement of significant accounting policies**

#### **(a) Basis of preparation**

The Historical Financial Information has been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards (AASBs), adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The significant accounting policies that have been adopted in the preparation and presentation of the Pro forma Historical Financial Information are:

#### **(b) Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments classified at *fair value through profit or loss*, which are measured at fair value.

#### **(c) Functional and presentation currency**

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

#### **(d) Principals of consolidation**

The historical and pro forma financial information incorporates the assets, liabilities and result of entities controlled by the Company at the end of the reporting period. A controlled entity is an entity over which the Company has the ability or right to govern the financial and operating policies so as to obtain benefits from the entity's activities. In preparing the historical and pro forma financial information, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation. Where controlled entities have entered or left the consolidated entity during the year, the financial performance of those entities is included only for the period of the year that they were controlled.

#### **(e) Going concern**

The historical and pro forma financial information has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

#### **(f) Business combinations**

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (ie parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated financial statements, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer. Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of profit and loss and other comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

**Appendix – Historical and Pro Forma Financial Information**  
**Aleator Energy Limited**

**(f) Business combinations (continued)**

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of profit and loss and other comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of profit or loss and other comprehensive income.

**(g) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

*Rendering of telecommunications services*

Revenue from the rendering of retail telecommunications services includes the provision of data, internet, voice and other services. Revenue from the rendering of data and internet services to consumers and corporate customers is recognised on a straight-line basis over the period the service is provided. Revenue for voice services is recognised at completion of the call. Revenue from wholesale hosted PBX service customers is charged based on the number of PBX registrations recorded on a daily basis and invoiced monthly in arrears.

Where revenue for services is invoiced to customers and/or received in advance, the amount that is unearned at a reporting date is recognised in the statement of financial position as deferred income, and its recognition in the income statement is deferred until the period to which the invoiced amount relates.

*Sale of Goods*

Revenue from the sale of goods represents sales of customer equipment to consumer and corporate customers. Cash sales are recognised immediately and credit sales are recognised over the life of the contract.

*Revenue arrangements with multiple deliverables*

Where two or more revenue-generating activities or deliverables are sold under a single arrangement, each deliverable is considered to be a separate unit of accounting and is accounted for separately.

*Interest*

Revenue is recognised as the interest accrues using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST)

**(h) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

## **Appendix – Historical and Pro Forma Financial Information Aleator Energy Limited**

### **(i) Trade and Other Receivables**

All trade debtors are recognised initially at the transaction price (i.e. cost) less any provision for impairment and allowance for any uncollectable amounts. Receivable terms for the group are due for settlement within 4-30 days from the date of the invoice. Collectability of trade debtors is reviewed on an ongoing basis.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other assets are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

When identified, debts which are known to be uncollectible are written off.

### **(j) Property, plant and equipment**

All property, plant and equipment are carried at cost less accumulated depreciation.

Plant and equipment is measured on the cost basis and are therefore carried at cost less accumulated depreciation and any impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the bases of the expected net cash flows that will be received from the assets employed and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

The cost of fixed assets constructed includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

### **(k) Depreciation**

Depreciation on property, plant and equipment is calculated on a reducing balance basis over their useful lives to the parent entity commencing from the time the asset is held ready for use. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The rate of depreciation is based on the expected useful life of assets. Property, plant and equipment estimated useful lives used are as follows:

Buildings	40 years
Plant & Equipment	3 – 10 years
Office Equipment	3 – 5 years
Computer Equipment	2 – 3 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. The gains or losses are included in the Comprehensive Income Statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

## **Appendix – Historical and Pro Forma Financial Information**

### **Aleator Energy Limited**

#### **(l) Leased non-current assets**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recording the asset and a liability at the lower of the amounts equal to the fair value of the lease property or the present value of the minimum lease payments including any guarantee residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a reducing balance basis over the shorter of the estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives, where applicable, under operating leases are recognised as a liability and amortised on a reducing balance basis over the life of the lease term.

#### **(m) Intangible assets**

Intangible assets acquired, either individually or with a group of assets, are initially recognised and measured at cost. Intangible assets with finite lives are amortised over their estimated useful lives using the straight-line method based on the determined useful life of the asset.

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss, or any reversal of a previously-recognised impairment loss, is recognised immediately in profit or loss.

#### **(n) Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.



## **Appendix – Historical and Pro Forma Financial Information**

### **Aleator Energy Limited**

#### **(o) Share-based payment transactions**

The Company operates an employee share ownership plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model.

The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest, however, no adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for equity instruments that do not ultimately vest, except for equity instruments where vesting is conditional upon a market condition.

#### **(p) Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

#### **(q) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### **(r) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in the comprehensive income statement in the period in which they are incurred. Borrowing costs predominately consist of interest and other costs that the company incurs in connection with the borrowing of funds.



**Appendix – Historical and Pro Forma Financial Information**  
**Aleator Energy Limited**

**2. Business combinations**

	Vonex audited 30-Jun-15 \$	Pro forma adjustments 30-Jun-15 \$	Unaudited Pro-forma 30-Jun-15 \$
<b>Assets</b>			
Cash and cash equivalents	177,901	-	177,901
Trade and other receivables	511,767	-	511,767
Other assets	175,212	-	175,212
Plant and equipment	219,785	-	219,785
Intangible assets	579,172	16,542,638	17,121,810
Total assets	1,663,837	16,542,638	18,206,475
<b>Liabilities</b>			
Trade and other payables	(1,782,664)	-	(1,782,664)
Borrowings	(715,010)	569,199	(145,811)
Total liabilities	(2,497,674)	569,199	(1,928,475)
<b>Net assets of Vonex acquired</b>			<b>16,278,000</b>
Fair value of Shares issued on Acquisition			10,500,000
Pro forma fair value of Performance Shares issued on Acquisition			5,778,000
<b>Purchase consideration transferred</b>			<b>16,278,000</b>

The Acquisition has been treated as a business combination in accordance with AASB 3 *Business Combinations*. The assets and liabilities of the Acquisition (including intangible assets) have been recognised at estimated fair value. The fair value of intangible assets has been estimated on a provisional basis in accordance with paragraph 45 of AASB 3.

**3. Cash and cash equivalents**

	Note	Audited 30-Jun-15 \$	Unaudited Pro-forma 30-Jun-15 \$
Cash and cash equivalents		19,822	5,550,065
AWD cash and cash equivalents as at 30 June 2015			19,822
<i>Subsequent events are summarised as follows:</i>			
Proceeds raised through the share placement	1(i)		700,000
Remaining funds received for sale of held-for-sale assets	1(iii)		205,370
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Vonex cash and cash equivalents as at 30 June 2015	1(vii)		177,901
Proceeds from the Public Offer pursuant to the Prospectus	1(viii)		5,000,000
Capital raising costs	1(x)		(553,028)
<b>Pro-forma cash and cash equivalents</b>			<b>5,550,065</b>

The Prospectus has provision for subscriptions of between 80,000,000 and 111,111,111 shares to raise between \$3.6 million and \$5 million wherein the pro forma statement of financial position assumes the maximum \$5 million is raised. Should the minimum \$3.6 million be raised, the share issue costs would decrease to \$467,448 and the cash at bank balance would decrease by \$1,314,420 to \$4,235,645.

**Appendix – Historical and Pro Forma Financial Information**  
**Aleator Energy Limited**

**4. Non-current assets held for sale**

	Note	Audited 30-Jun-15 \$	Unaudited Pro-forma 30-Jun-15 \$
Non-current assets held for sale		250,000	-
AWD assets held for sale as at 30 June 2015			250,000
<i>Subsequent events are summarised as follows:</i>			
Disposal of non-current assets held for sale	1(iii)		(250,000)
<b>Pro-forma assets held for sale</b>			<b>-</b>

**5. Intangible assets**

	Note	Audited 30-Jun-15 \$	Unaudited Pro-forma 30-Jun-15 \$
Intangible assets		-	17,121,810
AWD intangible assets as at 30 June 2015			-
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Vonex intangible assets as at 30 June 2015	1(vii)		579,172
Intangible assets arising on acquisition of Vonex	2		16,542,638
<b>Pro-forma intangible assets</b>			<b>17,121,810</b>

**6. Trade and other payables**

	Note	Audited 30-Jun-15 \$	Unaudited Pro-forma 30-Jun-15 \$
Trade and other payables		1,268,246	2,641,062
AWD payables as at 30 June 2015			1,268,246
<i>Subsequent events are summarised as follows:</i>			
Liability settled on sale of held-for-sale assets	1(iii)		(44,630)
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Vonex payables as at 30 June 2015	1(vii)		1,729,397
Settlement of amounts payable through the issue of AWD shares	1(vi)		(127,100)
Amounts payable written-off on agreement with creditors	1(vi)		(184,851)
<b>Pro-forma trade and other payables</b>			<b>2,641,062</b>

**Appendix – Historical and Pro Forma Financial Information**  
**Aleator Energy Limited**

**7. Borrowings**

	<b>Note</b>	<b>Audited 30-Jun-15 \$</b>	<b>Unaudited Pro-forma 30-Jun-15 \$</b>
Borrowings		143,846	158,640
AWD borrowings as at 30 June 2015			143,846
<i>Subsequent events are summarised as follows:</i>			
Settlement of borrowings payable through the issue of AWD shares	1(ii)		(100,000)
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Vonex borrowings as at 30 June 2015	1(vii)		683,993
Write-off of convertible note liability in Vonex	1(v)		(569,199)
<b>Pro-forma borrowings</b>			<b>158,640</b>

**8. Issued capital**

	<b>Note</b>	<b>Number of shares</b>	<b>\$</b>
AWD issued share capital as at 30 June 2015		529,795,253	84,110,564
<i>Subsequent events are summarised as follows:</i>			
Share placement	1(i)	140,000,000	700,000
Shares issued in settlement of amounts payable	1(ii)	20,000,000	100,000
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Elimination of the issued share capital of AWD on share consolidation	1(iv)	(459,863,502)	-
Existing post-consolidation PIM shares at Acquisition		229,931,751	84,910,564
Shares issued in settlement of amounts payable	1(vi)	4,000,000	127,100
Shares issued to acquire Vonex	1(vii)	233,333,333	10,500,000
Pro forma fair value of Performance Shares issued on Acquisition	1(vii)	-	5,778,000
Fully paid ordinary shares issued at \$0.045 pursuant to this Prospectus	1(viii)	111,111,111	5,000,000
Options issued to advisors in relation to the Public Offer	1(ix)	-	(475,000)
Cash costs associated with the share issue pursuant to this Prospectus	1(x)	-	(553,028)
		348,444,444	20,377,072
<b>Pro-forma issued share capital</b>		<b>578,376,195</b>	<b>105,287,636</b>

The Prospectus has provision for subscriptions of between 80,000,000 and 111,111,111 shares to raise between \$3.6 million and \$5 million wherein the pro forma statement of financial position assumes the maximum \$5 million is raised. Should the minimum \$3.6 million be raised, the share issue costs would decrease to \$467,448, the issued capital would decrease by \$1,314,420 to \$103,973,216. The total number of shares on issue would be 547,265,084.

## Appendix – Historical and Pro Forma Financial Information Aleator Energy Limited

### (a) Performance Shares

The Company will issue 400,000,000 Performance Shares to the shareholders of Vonex as a part of the consideration for the Acquisition. The Performance Shares are issued as 133,333,333 Class A Performance Shares, 133,333,333 Class B Performance Shares and 133,333,334 Class C Performance Shares with key terms as follows:

- Each Class A Performance Share will convert into one ordinary share on the occurrence of revenue of Vonex and its subsidiaries (the “Vonex Group”) exceeding \$6 million per annum calculated on a quarterly basis for any two consecutive quarters within two years of Settlement and the Company maintaining a market capitalisation of more than \$40 million for 10 consecutive ASX business days based upon the number of shares on issue at the time immediately following Settlement and where applicable, adjusted to include additional Shares issued on the conversion of any of the Performance Shares (“Milestone 1”);
- Each Class B Performance Share will convert into one ordinary share on the occurrence of revenue of the Vonex Group exceeding \$9 million per annum calculated on a quarterly basis for any two consecutive quarters within three years of Settlement and the Company maintaining a market capitalisation of more than \$75 million for 10 consecutive ASX business days based upon the number of shares on issue at the time immediately following Settlement and where applicable, adjusted to include additional shares issued on the conversion of any of the Performance Shares (“Milestone 2”); and
- Each Class C Performance Share will convert into one ordinary share on the occurrence of either revenue of the Vonex Group exceeding \$12 million per annum calculated on a quarterly basis for any two consecutive quarters within three years of Settlement or the Company maintaining a market capitalisation of more than \$150 million for 10 consecutive ASX business days based upon the number of shares on issue immediately following Settlement and where applicable, adjusted to include additional shares issued on the conversion of any of the Performance Shares (“Milestone 3”).

The pro forma fair value of the Performance Shares is \$5,778,000 using a binomial valuation model and management’s best estimate of the likelihood of reaching the performance targets.

### 9. Reserves

	Note	Audited 30-Jun-15 \$	Unaudited Pro-forma 30-Jun-15 \$
Reserves		(2,328,787)	(1,853,787)
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Options issued to advisors in relation to the Public Offer	1(ix)		475,000
<b>Pro-forma reserves</b>			<b><u>(1,853,787)</u></b>

### (a) Options

A total of 25,000,000 options in the Company are to be issued to advisors for services rendered in relation to the Public Offer. Using a Black Sholes valuation model, the fair value of the options to be issued has been assessed based on the following assumptions:

Underlying share price	\$0.045
Exercise price	\$0.090
Expected volatility	90%
Option life	3 years
Risk-free interest rate	1.80%
Value per option	\$0.0190

**Appendix – Historical and Pro Forma Financial Information**  
**Aleator Energy Limited**

**(b) Performance Rights**

The Performance Rights shall vest into one ordinary share on the occurrence of:

- revenue of the Vonex Group exceeding \$6 million per annum calculated on a quarterly basis for any two consecutive quarters within two years of completion of the Acquisition; and
- the Company maintaining a market capitalisation of more than \$40 million for 10 consecutive ASX business days based upon the number of Shares on issue at the time immediately following completion of the Acquisition and, where applicable, adjusted to include additional shares issued on the conversion of any of the Performance Rights.

The cost of the Performance Rights will be incurred over the expected vesting period of the instruments.

**10. Accumulated losses**

	Note	Audited 30-Jun-15 \$	Unaudited Pro-forma 30-Jun-15 \$
Accumulated losses		(82,579,816)	(82,394,965)
AWD accumulated losses as at 30 June 2015			(82,579,816)
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Amounts payable written-off on agreement with creditors	1(vi)		184,851
<b>Pro-forma issued share capital</b>			<b><u>(82,394,965)</u></b>

**11. Related party disclosure**

The Directors of AWD as at the date of this Report are Lewis Cross, Gennady Varitsky and Mark Rowbottom. Gennady Varitsky is to retire subject to the completion of the Acquisition, following which it is intended that the Board of the Company will be comprised of Lewis Cross, Mark Rowbottom, Brydie McKee and Angus Parker. Directors' holdings of shares, directors' remuneration and other directors' interests are set out in Sections 10 of the Prospectus.

**12. Controlled entities**

Consolidated Entities	Country of Incorporation	Pro-forma Interest held
Aleator Energy Limited	Australia	Parent
Western Nickel Limited	Australia	100%
Golden Paradox Inc	USA	100%
Golden Eagle Exploration LLC USA	USA	100%
Golden Eagle Production LLC USA	USA	100%
VoNEX Ltd	Australia	100%
IP Voice and Data Pty Ltd	Australia	100%
VoNEX Holdings Pty Ltd	Australia	100%
Oper8tor Pty Ltd	Australia	100%
Itrinity Australia Pty Ltd	Australia	100%

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## 12. CORPORATE GOVERNANCE

### 12.1 ASX Corporate Governance Council Principles and Recommendations

The Company plans to adopt comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Proposed Board are committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, commensurate with the Company's size and nature, the Company will adopt *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

The Proposed Board will seek, where appropriate, to provide accountability levels that meet or exceed the Recommendations, which are not prescriptions, but guidelines. The Company's main corporate governance policies and practices that will be adopted from completion of the Offers are outlined below and further details can be obtained from the Company website at <http://www.aleatorenergy.com.au>.

### 12.2 Board of Directors

The Board is responsible for corporate governance of the Company. The Proposed Board will develop strategies for the Company, review strategic objectives and monitor performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Proposed Board will assume the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

In light of the Company's size and nature, the Proposed Board considers that the proposed composition of the Board is a cost effective and practical method of directing and managing the Company. If the Company's activities develop in

size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

### **12.3 Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

- (a) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (b) the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

Following Settlement, the Board will consist of 4 members. The Company will adopt a Nominations Committee Charter and will appoint a Nominations and Remuneration Committee.

Where a casual vacancy arises during the year, the Proposed Board will have procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective Board. Any Director appointed during the year to fill a casual vacancy or as an addition to the Board, holds office until the next general meeting and is then eligible for re-election by the Shareholders.

Each Incoming Director and Remaining Director has confirmed to the Company that he or she anticipates being available to perform his or her duties as a non-executive director or executive director without constraint from other commitments.

The Proposed Board consider an independent Director to be a non-executive director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally. The Proposed Board will consider the materiality of any given relationship on a case-by-case basis and reviews the independence of each Director in light of interests disclosed to the Board from time to time.

The Board Charter proposed to be adopted by the Proposed Board sets out guidelines of materiality for the purpose of determining independence of Directors in accordance with the Recommendations and has adopted a definition of independence that is based on that set out in the Recommendations.

The Proposed Board will consider whether there are any factors or considerations which may mean that a Director's interest, position, association or relationship might influence, or reasonably be perceived to influence, the capacity of the Director to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its Shareholders generally.

### **12.4 Board Charter**

The proposed Board Charter to be adopted by the Board sets out the responsibilities of the Board in greater detail. It provides that the Board should comprise Directors with the appropriate mix of skills, experience, expertise and diversity which are relevant to the Company's businesses and the Board's

responsibilities. The Board Charter allows the Board to delegate powers and responsibilities to committees established by the Board. The Board retains ultimate accountability to Shareholders in discharging its duties.

## **12.5 Identification and management of risk**

The Proposed Board intends to establish a risk management committee which is responsible for overseeing the risk management function. It is proposed that the risk management committee will be responsible for ensuring the risks and opportunities are identified on a timely basis.

The Board will be responsible for overseeing the establishment of (and approving) risk management strategies, policies, procedures and systems of the Company. The Company's management is responsible for establishing the Company's risk management framework. The Company will regularly undertake reviews of its risk management procedures to ensure that it complies with its legal obligations, including assisting the Chief Executive Officer or Chief Financial Officer to provide required declarations.

## **12.6 Ethical standards**

The Remaining Directors along with the Incoming Directors are committed to the establishment and maintenance of appropriate ethical standards. Accordingly, the Company has adopted a Code of Conduct which sets out the way the Company conducts business. The Company will carry on business honestly and fairly, acting only in ways that reflect well on the Company and in compliance with all laws and regulations.

The Remaining Directors along with the Incoming Directors also propose to adopt a policy document which will outline employees' obligations of compliance with the Code of Conduct, and explains how the code interacts with the Company's other corporate governance policies.

It is proposed that responsibilities incorporated in the Code of Conduct will include protection of the Company's business, using the Company's resources in an appropriate manner, protecting confidential information and avoiding conflicts of interest.

## **12.7 Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

## **12.8 Remuneration arrangements**

The total maximum remuneration of Non-Executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of Non-Executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.



The Proposed Board intends to review and approve the remuneration policy to enable the Company to attract and retain Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The proposed role of the Remuneration and Nomination Committee (which will initially be carried out by the full Board) is to review and make recommendations to the Board on remuneration arrangements and policies related to the Directors, Chief Executive Officer and other members of senior management and to ensure that the remuneration policies and practices are consistent with the Company's strategic goals and human resources objectives. In addition, it is proposed that the Committee will be responsible for reviewing and making recommendations in relation to the composition and performance of the Board and its committees and ensuring that adequate succession plans are in place (including for the recruitment and appointment of Directors and senior management). Independent advice may be sought by the Remuneration and Nomination Committee where appropriate.

The Remuneration and Nomination Committee will meet as often as is required by its Charter or other policy approved by the Board to govern the operation of the Remuneration and Nomination Committee. Following each meeting, the Remuneration and Nomination Committee will report to the Board on any matter that should be brought to the Board's attention and on any recommendation that requires Board approval.

## **12.9 Trading policy**

The Company has adopted a Securities Trading Policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Managing Director). The Securities Trading Policy explains the types of conduct in relation to dealings in Shares that are prohibited under the Corporations Act and to establish procedures in relation to such persons' dealing in the Shares.

Under the terms of the policy, buying or selling Shares is not be permitted at any time by any person who possesses inside information in a manner contrary to the Corporations Act or where short-term or speculative trading is involved. The policy also generally provides that written notification to the Chairman (or in the case of the Chairman, the Managing Director) must be satisfied prior to trading.

## **12.10 External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

## **12.11 Audit committee**

The Company's Audit and Risk Management Committee will be carried out by the full Board and will fulfil the Company's corporate governance and monitoring responsibilities in relation to the Company's risks associated with the integrity of the financial reporting, internal control systems and the independence of the external audit function.

The Committee will be responsible for approving the services that the Company's external auditor may provide. The external auditor:

- (a) must be independent of the Company and the Directors and senior executives. To ensure this, the Company requires a formal report from its external auditor on an annual basis setting out the relationships that may affect its independence; and
- (b) may not provide services to the Company that may impair, or appear to impair, the external auditor's judgement or independence in respect of the Company.

## 12.12 Diversity Policy

The Company has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

### 12.13 Departures from Recommendations

Following re-admission to the Official List of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report. The Company's departures from the Recommendations following completion of the Offers are set out below.

<b>RECOMMENDATIONS (3<sup>RD</sup> EDITION)</b>	<b>COMPLY</b>	<b>EXPLANATION</b>
<b><i>Principle 1: Lay solid foundations for management and oversight</i></b>		
<b>Recommendation 1.5</b> A listed entity should:  (a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;  (b) disclose that policy or a summary of it; and  (c) disclose as at the end of each reporting period:  (i) the measurable objectives for achieving gender diversity set by the Board in accordance with the entity's diversity policy and its progress towards achieving them; and  (ii) either:	No                     	The Company acknowledges the positive outcomes that can be achieved through a diverse workforce and recognises and utilises the diverse skills and talent from its directors, officers and employees. However, due to the size of the Company and its current situation, the Company does not envisage recruiting any new staff in the near future and therefore does not currently have a diversity policy. The Board is aware of the merits of having a diverse workforce and will take this into consideration should the Company be required to add to its workforce in the future.

RECOMMENDATIONS (3 <sup>RD</sup> EDITION)	COMPLY	EXPLANATION
<p>(i) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act.</p>		

## ***Principle 2: Structure the Board to add value***

### **Recommendation 2.1**

The Board of a listed entity should:

(a) have a nomination committee which:

- (i) has at least three members, a majority of whom are independent Directors; and
- (ii) is chaired by an independent Director,

and disclose:

- (iii) the charter of the committee;
- (iv) the members of the committee; and
- (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and

No

The Company does not currently have a nomination Committee comprised of at least three members

The Board considers that, given its size and composition, a nomination Committee comprising at least two members is appropriate. The Board has adopted a Nomination Committee Charter which it applies, as relevant.

RECOMMENDATIONS (3 <sup>RD</sup> EDITION)	COMPLY	EXPLANATION
responsibilities effectively.		
<b>Recommendation 2.2</b> A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	No	The Company has not disclosed a Board skills matrix. The Company currently has a mixture of skills as provided within the Directors Report in its Annual Report. A board skills matrix has not been prepared due to the Company going through a potential change in operations.
<b>Recommendation 2.4</b> A majority of the Board of a listed entity should be independent Directors.	No	At the time of readmission to the official list following completion of the Offer, the Board will comprise 4 members, 1 of whom is independent and 3 of whom are non independent Directors.  The Company considers this to be an appropriate balance given the importance to the company at this time to have Executive Directors, who are not considered independent.
<b>Recommendation 2.5</b> The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.	No	The Chair of the Board will be Mr Lewis Cross who is also the owner of the majority shareholder and therefore is not independent. Mr Cross is a highly experienced Director and Chairman. The Company considers that, reflective of the majority shareholding, the Board will function more effectively with Mr Cross as Chairman.

RECOMMENDATIONS (3 <sup>RD</sup> EDITION)	COMPLY	EXPLANATION
<b>Principle 4: Safeguard integrity in financial reporting</b>		
<p><b>Recommendation 4.1</b></p> <p>The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and</li> <li>(ii) is chaired by an independent Director, who is not the Chair of the Board,</li> </ul> <p>and disclose:</p> <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the relevant qualifications and experience of the members of the committee; and</li> <li>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	No	<p>The Company does not currently have an Audit &amp; Risk Committee comprised of at least three members.</p> <p>The Board considers that, given its size and composition, an Audit &amp; Risk Committee comprising at least two members is appropriate. The Board has adopted an Audit &amp; Risk Committee Charter which it applies, as relevant. The Audit &amp; Risk Committee Charter also provides that the Audit &amp; Risk Committee must meet with the external auditor at least twice in each financial period, without management present, as required.</p>
<b>Principle 7: Recognise and manage risk</b>		
<p><b>Recommendation 7.1</b></p> <p>The Board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent Directors; and</li> <li>(ii) is chaired by an independent Director,</li> </ul> <p>and disclose:</p>	No	<p>The Company does not currently have an Audit &amp; Risk Committee comprised of at least three members.</p> <p>The Board considers that, given its size and composition, an Audit &amp; Risk Committee comprising at least two members is appropriate. The Board has adopted an Audit &amp; Risk Committee Charter which it applies, as relevant.</p>

RECOMMENDATIONS (3 <sup>RD</sup> EDITION)	COMPLY	EXPLANATION
<ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>		
<p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	No	<p>The Company has not disclosed its economic, environmental and social sustainability risks. Given the anticipated change in Company operations, the Board intends to assess its economic, environmental and social sustainability risks at a time when it can more accurately assess the relevant risks for the new proposed operations. The Board intends this recommendation to be complied with during the next financial period,</p>
<b>Principle 8: Remunerate fairly and responsibly</b>		
<p><b>Recommendation 8.1</b></p> <p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent Directors; and</li> <li>(ii) is chaired by an independent Director,</li> </ul> <p>and disclose:</p> <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the</li> </ul>	No	<p>The Company does not currently have a Nomination &amp; Remuneration Committee comprised of at least three members.</p> <p>The Board considers that, given its size and composition, a Nomination &amp; Remuneration Committee comprising at least two members is appropriate. The Board has adopted a Nomination &amp; Remuneration Charter which it applies, as relevant.</p>

RECOMMENDATIONS (3 <sup>RD</sup> EDITION)	COMPLY	EXPLANATION
<p>number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		

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## 13. MATERIAL CONTRACTS

### 13.1 Acquisition Agreement

Under the Acquisition Agreement, Vonex and the Majority Vonex Shareholders granted the Company an option to acquire all of the securities in Vonex in consideration for the issue of the Consideration Securities to the Vendors.

The key terms of the Acquisition Agreement are as follows:

- (a) **(Exercise of Vonex Option):** On 12 August 2015, Aleator exercised the Vonex Option to acquire 100% of the issued capital in Vonex;
- (b) **(Conditions Precedent):** settlement of the Acquisition (**Settlement**) is conditional upon the satisfaction (or waiver) of the following outstanding conditions:
  - (i) Aleator obtaining all necessary regulatory approvals required for the Acquisition, including ASX approval for the readmission of Aleator to the official list of ASX in connection with its proposed change in the nature and scale of its activities;
  - (ii) Aleator undertaking the Consolidation, which was approved at the General Meeting; and
  - (iii) Aleator preparing and lodging a full form prospectus with ASIC and completing a capital raising of no less than \$3,000,000 (or such other amount to satisfy ASX re-listing requirements) via the issue of shares at no less than 2 cents each. This will be satisfied on completion of the Public Offer.
- (c) **(Consideration):** upon Settlement, the Company must issue the following Consideration Securities to the Vonex Vendors in their respective proportions:
  - (i) 233,333,333 Consideration Shares; and
  - (ii) 400,000,000 Performance Shares (being 133,333,333 Class A Performance Shares, 133,333,333 Class B Performance Shares and 133,333,334 Class C Performance Shares),
- (d) **(Restriction on the Consideration Securities):** each of the Vonex Vendors must agree that a minimum of 75% of their allocation of Consideration Securities will be restricted for a period of 12 months or such longer period or such greater number of Consideration Securities as ASX requires (through either or both an ASX restriction agreement or voluntary restriction agreement, as applicable to be provided at Settlement); and
- (e) **(Board Changes):** upon Settlement, one existing director of the Company will retire, being Gennady Varitsky and the Proposed Directors, as nominees of Vonex will be appointed to the board of the Company.

The Acquisition Agreement otherwise contains terms, conditions and restrictions which are customary for an agreement of its nature.



## 13.2 Other Agreements associated with the Acquisition

### (a) Lead Manager Mandate

On 7 August 2015, the Company and PAC Partners entered into a mandate agreement pursuant to which the Company appointed PAC Partners as its corporate advisor and lead manager in relation to the Public Offer (**Lead Manager Mandate**).

Under the Lead Manager Mandate, the Company will pay PAC Partners the following:

- (i) 6.0% of the proceeds received under the Public Offer from investors introduced by PAC Partners;
- (ii) 1.0% of the proceeds received under the Public Offer from investors introduced by the Company or other brokers;
- (iii) a \$50,000 (excluding GST) success fee on Settlement
- (iv) issue up to 25,000,000 Options exercisable at \$0.09 within 3 years from the date of issue on the terms and conditions set out in Section 14.4 (**Broker Options**) on the basis of five (5) Broker Options for every one (1) dollar of capital raised. PAC Partners will be responsible for allocating the Broker Options to other brokers that assist in raising capital under the Public Offer with PAC Partners to receive a minimum of 12,500,000 Broker Options.

All Broker Options issued to PAC Partners will be subject to any escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules.

In addition, PAC Partners is entitled to be reimbursed for out-of-pocket expenses incurred by PAC Partners.

The Company is entitled to terminate the Lead Manager Mandate:

- (i) at any time with 7 days notice as a result of gross negligence, wilful misconduct or fraud by PAC Partners; or
- (ii) where PAC Partners fails to rectify any issues resulting in PAC Partners being unable to unwilling to fully perform the services in accordance with the Lead Manager Mandate within 14 days of being notified by the Company of such issues.

PAC Partners is entitled to terminate the Lead Manager Mandate at any time where the Company breaches the engagement and does not remedy the breach within 14 days of receipt of written notice.

Under the Lead Manger Mandate, the Company agrees to offer PAC Partners the opportunity to act as lead manager in respect of any further equity capital raisings the Company undertaken following completion of the Public Offer, for a period of 12 months and subject to competitive terms being negotiated between the parties in respect of pricing, fees and timing relative to market practices at that time.

All other terms of the Lead Manager Mandate are considered standard for an agreement of this nature.

(b) **Convertible Loans**

Since the 2012-13 financial year through to the 2014-15 financial year, Vonex and various lenders entered into convertible loan agreements pursuant to which the lenders (**Vonex Convertible Securityholders**) each agreed to provide Vonex with loans (**Convertible Loans**). The outstanding amount on those loans (including interest) is \$569,199. Under the terms of Convertible Loans, the loans are to be repaid through their conversion into Vonex Shares at \$0.05 per Vonex Share.

As a condition precedent to Settlement, Vonex must cancel all Convertible Loans it has on issue and accordingly, the Company has agreed to issue the Vonex Convertible Securityholders both Shares and Performance Shares in consideration for the cancellation of the convertible securities in Vonex and the termination of the Convertible Loans. All Vonex Convertible Securityholders must enter into agreements on these terms prior to Settlement (**Convertible Loan Settlement Agreements**).

In total, the Company will issue to the Vonex Convertible Securityholders the following securities (which form part of the securities offered the Vendor Consideration Offer):

- (i) 23,480,464 Shares;
- (ii) 40,252,224 Performance Shares, being 13,417,408 Class A Performance Shares, 13,417,408 Class B Performance Shares and 13,417,408 Class C Performance Shares,

in consideration for the termination of the Convertible Loans and cancellation of the agreements.

Under the terms of the Convertible Loan Settlement Agreements, subject to Settlement, the Vonex Convertible Securityholders and Vonex agree to terminate and fully release and discharge each other from any claims (however arising) under any previous agreements or arrangements relating to the Convertible Loans.

### 13.3 **Agreements Material to the Vonex Business**

(a) **PBX Software Licence**

By a licence agreement dated 27 March 2012 and as amended in July 2013 (**Licence Agreement**), Vodia Networks Inc (**Vodia**) have granted Vonex a non-exclusive right to use, copy and sell products containing the Vodia's hosted PBX software worldwide (**PBX Software**) (**Licence**).

The material terms of the Licence Agreement are as follows:

- (i) **Term:** ending on 27 March 2017 unless otherwise agreed in writing by the parties, which will continue for an additional 5 years unless either party gives notice to terminate no later than 60 days before the date on which the Licence would otherwise expire.
- (ii) **Rights to intellectual property:** Vodia shall retain ownership of all intellectual property rights in the PBX Software including any improvement of the PBX Software.

- (iii) **Termination:** The licence may be terminated by either party with immediate effect by giving notice to the other party if (a) the other party is in breach of the agreement and the breach is not capable of remedy or (b) the other party is in breach of the agreement and the other party fails to remedy the breach within 60 days. Vodia may also terminate the agreement with immediate effect if Vonex fails to pay any amount reasonably due to Vodia within 60 days of receiving a demand for payment owing.

For avoidance of doubt the Licence will continue for the remaining term following any winding up or liquidation of Vodia, unless otherwise terminated in accordance with the Licence Agreement.

- (iv) **Additional Services:** Vodia will provide development and support services to Vonex in respect of the PBX Software (**Vodia Services**).
- (v) **Payment:** Vonex shall pay Vodia 10% of all monthly gross revenue it generates through sales of registered extensions the PBX Software. If Vodia discontinues the Vodia Services the percentage shall be reduced to 5%.

The Licence Agreement otherwise contains terms and conditions (including warranties, representations and indemnities) typical for an agreement of this nature.

(b) **M2 Wholesale Supply Agreement**

Vonex subsidiary, IP Voice and Data Pty Ltd (ACN 147 537 871) (**IPVD**) entered into a supply agreement with M2 Wholesale Pty Ltd (ACN 119 220 843) (**M2**) under which M2 agreed to supply telecommunications services to IPVD, , such as PSTN, mobile sim, 1300 numbers, NBN products and all DSL services, on the following terms and conditions:

- (i) **Term:** commenced on 11 March 2011 and will continue until terminated in accordance with the termination provisions.
- (ii) **Termination:** either party may terminate without cause, by giving at least 90 days' written notice to the other party, or as otherwise agreed between the parties.
- (iii) **Termination by M2 for cause:** M2 may terminate the supply agreement at any time upon the provision of five business days notice to IPVD if, IPVD breaches a material term of the supply agreement or fails to remedy any other provision of the supply agreement.
- (iv) **Termination by IPVD for cause:** IPVD may terminate the supply agreement at any time with immediate, if M2 breaches a material term of the supply agreement and fails to remedy that breach.
- (v) **Payment:** Following the end of each calendar month, M2 will issue an invoice to Vonex for service charges pursuant to a pricing schedule in respect of services provided by M2 to Vonex.

- (vi) **Security:** As security for IPVD's obligations under the agreement, on 8 April 2011, IPVD and M2 entered into a deed of charge whereby M2 has a fixed and floating charge in place over all the assets of IPVD. This deed of charge was also registered on the Personal Properties Securities Register.

#### 13.4 Agreements with Related Parties

(a) **Deed of Assignment of Intellectual Property**

On 12 October 2009, Vonex, Your Server Pty Ltd (ACN 129 295 503) (**Your Server**) and Angus Parker (**Mr Parker**), who is an Incoming Director, entered into a deed of assignment of intellectual property (**Deed of Assignment**) under which Mr Parker and Your Server (**Assignors**) transferred and assigned to Vonex their entire, right, title and interest in and to the Intellectual Property, as defined in the Deed of Assignment.

The Intellectual Property includes any intellectual or industrial property right in existence which relates to the VoIP PBX technology developed by Mr Parker for the Assignors, in which the Assignors have an interest.

The Assignors have agreed to provide all assistance reasonably required by Vonex for the purposes of doing such things as may be reasonably necessary for the purposes of vesting ownership of the Intellectual Property in Vonex, applying for and prosecuting any application for any Intellectual Property or renewing any Intellectual Property, pursuing any action for infringement of any Intellectual Property by Vonex, and defending the validity of the Intellectual Property in any legal action or other proceedings.

(b) **Loan Agreement – Brydie McKee**

IPVD has entered into a loan agreement as varied by loan extension letter with Incoming Director, Brydie McKee whereby Ms McKee has agreed to loan IPVD up to \$83,000(**Principal Sum**). The term of the loan agreement will expire on 30 April 2016 (**Term**).

Under the loan agreement, Vonex must repay the Principal Sum to the Ms McKee on or by the expiry of the Term, unless an event of default has occurred in which case the whole of the outstanding monies under the loan agreement shall become immediately due and payable if not rectified within 30 days.

Vonex must pay to Ms McKee interest on the Principal Sum at the applicable interest rate charged by the bank to Ms McKee calculated daily from the date of the initial advance, 12 April 2013, to the date of repayment of the Principal Sum and thereafter monthly. The current outstanding balance of the Principal Sum (including interest) is \$68,561.

(c) **Loan Agreement – Finance West Pty Ltd atf The Finance West Unit Trust**

Vonex has entered into a loan agreement with Finance West Pty Ltd (ACN 115 768 477) as trustee for the Finance West Unit Trust (**Lender**) whereby the Lender has advanced the sum of \$30,000 to Vonex (**Principal Sum**). The Incoming Directors are also both directors of the Lender. The term of the loan agreement will expire on 31 December 2015 (**Term**).

Under the loan agreement, Vonex must repay the Principal Sum to the Lender on or by the expiry of the Term, unless an event of default has occurred in which case the whole of the outstanding monies under the loan agreement shall become immediately due and payable if not rectified within 30 days.

The advance of the Principal Sum under the loan agreement shall be on interest-free terms. However, Vonex must pay the Lender interest costs associated in relation to late payment of the Principal Sum.

(d) **Guava Capital Debt Conversion Letter**

As at the date of the prospectus, IPVD has an outstanding debt of \$180,000 (**Debt**) owing to Guava Capital Pty Ltd (**Guava**), a company controlled by Les Pereira a current director of Vonex. Following negotiations between Vonex, Guava, IPVD and Aleator, Vonex and Guava have entered into a debt conversion agreement under which the Debt will be converted into Vonex Shares prior to Settlement (**Loan Conversion Deed**). The Debt converts at \$0.05 per Vonex Share and will equate to 3,600,000 Vonex Shares. Accordingly, Mr Pereira will receive an allocation of the Consideration Securities in Aleator as consideration for the Vonex Shares issued on the conversion Debt.

Guava agreed to fully release and discharge IPVD and Vonex from all obligations and liabilities in respect of the Debt upon issue of the relevant Vonex Shares. The respective Vonex Shares have been issued.

(e) **Loan from Vonex to Angus Parker**

Vonex has entered into a loan agreement with Proposed Director, Angus Parker (**Borrower**) whereby Vonex has advanced the sum of \$25,709.54 (**Loan**) to the Borrower.

Under the loan agreement, the Loan together with all outstanding monies (including interest) shall be repaid by the Borrower to Vonex on 30 June 2016 (**Repayment Date**). However the Borrower shall be at liberty to repay the whole or part of any outstanding monies under the loan agreement before the Repayment Date.

The Borrower must pay interest at a rate of 5% per annum on any outstanding monies that are due and payable, but unpaid after the Repayment Date otherwise the Loan is interest free.

### 13.5 Executive Services Agreements

(a) **Brydie McKee**

The Company has entered into an executive services agreement with proposed Director, Brydie McKee, to act as Chief Executive Officer of the Company, on the following terms and conditions:

- (i) **Salary:** the Company shall pay Ms McKee a salary of \$250,000 per annum (plus superannuation), which will be reviewed annually by the Company.
- (ii) **Term:** commences on Settlement and will continue until validly terminated in accordance with its terms.

- (iii) **Termination by Ms McKee:** Mr McKee may terminate by giving 3 months' notice or where the Company commits a serious breach of the agreement and that breach is not remedied within 28 days.
- (iv) **Termination by the Company:** the Company may terminate the executive services agreement:
  - (A) without cause, by giving 12 months' written notice to the executive if it is within the first six months' of Settlement, and six months' written notice thereafter; or
  - (B) with cause, by giving one month's written notice or summarily without notice if at any time the executive commits any serious breach of the executive service agreement or is convicted of any major criminal offence.
- (v) **Restraint of Trade:** upon termination of the executive services agreement, the executive will be subject to a restraint of trade period for up to 1 year

(b) **Angus Parker**

The Company has entered into an executive services agreement with Proposed Director, Angus Parker, to act as Chief Technology Officer of the Company, on the following terms and conditions:

- (i) **Salary:** the Company shall pay Mr Parker a salary of \$220,000 per annum (plus superannuation), which will be reviewed annually by the Company.
- (ii) **Term:** commences on Settlement and will continue until validly terminated in accordance with its terms.
- (iii) **Termination by Mr Parker:** Mr Parker may terminate by giving 12 months' notice if it is within the first six months' from Settlement and six months' written notice thereafter or where the Company commits a serious breach of the agreement and that breach is not remedied within 28 days.
- (iv) **Termination by the Company:** the Company may terminate the executive services agreement:
  - (A) without cause, by giving six months' written notice to the executive;
  - (B) with cause, by giving one month's written notice or summarily without notice if at any time the executive commits any serious breach of the executive service agreement or is convicted of any major criminal offence.
- (v) **Restraint of Trade:** upon termination of the executive services agreement, the executive will be subject to a restraint of trade period for up to 1 year.

(c) **Mark Rowbottom**

The Company has entered into an executive service agreement with Executive Director, Mr Rowbottam, on the following material terms and conditions:

- (i) **Salary:** the Company shall pay Mr Rowbottam a salary of \$250,000 per annum (plus superannuation), which will be reviewed annually;
- (ii) **Term:** commences on Settlement and will continue until validly terminated in accordance with its terms.
- (iii) **Termination by Mr Rowbottam** - the executive may terminate without cause by giving three months' notice or where the Company commits a serious breach of the agreement and that breach is not remedied within 28 days. and
- (iv) **Termination by the Company** – The Company may terminate the executive service agreement:
  - (A) without cause, within the first 12 months by giving six months written notice to Mr Rowbottam and following the first 12 months the notice period will be reduced to 3 months; or
  - (B) with cause, by giving one month's written notice or summarily without notice if at any time the executive commits any serious breach of the executive service agreement or is convicted of any major criminal offence.

### 13.6 Letters of appointment – Lewis Cross

On 25 September 2005, the Company and Mr Cross executed a letter of appointment pursuant to which Mr Cross is appointed as a non-executive director of the Company. Under the terms of the appointment Mr Cross receives a fee of \$85,000 per annum (excluding GST).

### 13.7 Deeds of indemnity, insurance and access - Existing Directors and Incoming Directors

The Company is in the process of finalising deeds of indemnity, insurance and access with each of its Incoming Directors, which will be on customary terms and conditions, and will enter into such deeds with the Incoming Directors following their appointments. For the Existing Directors, the Company has previously entered into deeds of indemnity, insurance and access. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company or a related body corporate (subject to customary exceptions). The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect Board papers and other documents provided to the Board in certain circumstances.

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## **14. ADDITIONAL MATERIAL INFORMATION**

### **14.1 Litigation**

As at the date of this Prospectus, neither the Company or Vonex is involved in any material legal proceedings and the Existing Directors and Incoming Directors are not aware of any legal proceedings pending or threatened against the Company or Vonex.

### **14.2 Rights and liabilities attaching to Shares**

The Shares offered under this Prospectus will be fully paid ordinary shares in the issued capital of the Company and will, upon issue, rank equally with all other Shares then on issue.

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### **(a) General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

#### **(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).



(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the New Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

### 14.3 Terms and conditions of the Performance Shares

A summary of the terms and conditions of the Performance Shares offered to Vonex Vendors as part of the Vendor Consideration Offer is provided below:

- (a) **(Performance Shares):** Each Performance Share is a share in the capital of Aleator.
- (b) **(General Meetings):** Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of Aleator that are circulated to Shareholders. Holders have the right to attend general meetings of Shareholders.
- (c) **(No Voting Rights):** Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of AWD's shareholders, subject to any voting rights under the *Corporations Act 2001* (Cth) (**Corporations Act**) or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (d) **(No Dividend Rights):** Performance Shares do not entitle the Holder to any dividends.
- (e) **(No Return of Capital Rights):** Performance Shares do not entitle the Holder to any right to a return of capital, whether on a winding up, upon a capital reduction or otherwise.
- (f) **(No Rights on Winding Up):** Upon winding up of Aleator, Performance Shares may not participate in the surplus profits or assets of Aleator.
- (g) **(Transfer of Performance Shares):** Performance Shares are not transferable.
- (h) **(Reorganisation of Capital):** In the event that the issued capital of Aleator is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing

Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.

- (i) **(Application to ASX):** Performance Shares will not be quoted on ASX. Upon conversion of Performance Shares into Shares in accordance with these terms, Aleator must within seven (7) days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of Shares arising from the conversion.
- (j) **(Participation in Entitlements and Bonus Issues):** Subject always to the rights under item (h) (Reorganisation of Capital), Holders of Performance Shares will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (k) **(Amendments required by ASX):** The terms of Performance Shares may be amended as necessary by the board of directors of Aleator in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (l) **(No Other Rights):** Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

#### **Conversion of Performance Shares**

- (a) **(Issue of Performance Shares):** Performance Shares will be issued on the Settlement.
- (b) **(Milestones):** Performance Shares will convert upon satisfaction of the following milestones:
  - (i) each **Class A Performance Share** will convert into one (1) Share on the occurrence of:
    - (A) revenue of the Vonex Group exceeding \$6 million per annum calculated on a quarterly basis for any two consecutive quarters within two years of Settlement; and
    - (B) Aleator maintaining a market capitalisation of more than \$40 million for 10 consecutive ASX business days based upon the number of Shares on issue at the time immediately following Settlement and where applicable, adjusted to include additional Shares issued on the conversion of any of the Performance Shares,

**(Milestone 1);**
  - (ii) each **Class B Performance Share** will convert into one (1) Share on the occurrence of:
    - (A) revenue of the Vonex Group exceeding \$9 million per annum calculated on a quarterly basis for any two consecutive quarters within three years of Settlement; and

- (B) Aleator maintaining a market capitalisation of more than \$75 million for 10 consecutive ASX business days based upon the number of Shares on issue at the time immediately following Settlement and where applicable, adjusted to include additional Shares issued on the conversion of any of the Performance Shares,

**(Milestone 2);**

- (iii) each **Class C Performance Share** will convert into one (1) Share on the occurrence of either:

- (A) revenue of the Vonex Group exceeding \$12 million per annum calculated on a quarterly basis for any two consecutive quarters within three years of Settlement; and
- (B) Aleator maintaining a market capitalisation of more than \$150 million for 10 consecutive ASX business days based upon the number of Shares on issue immediately following Settlement and where applicable, adjusted to include additional Shares issued on the conversion of any of the Performance Shares,

**(Milestone 3);**

(each referred to as a **Milestone**).

- (c) **(Conversion of Performance Shares):** Subject to (e), each Performance Share that has not been redeemed in accordance with (d), will convert upon the relevant Milestone being achieved and on conversion Aleator will make an announcement to ASX.
- (d) **(Redemption if Milestone not achieved):** If Milestone 1 is not achieved within 2 years after the Settlement Date (**Satisfaction Date 1**), the Class A Performance Shares held by a Holder will be automatically redeemed by the Company for the sum of \$0.0000001 within 10 Business Days of Satisfaction Date 1 and if Milestone 2 and Milestones 3 are not achieved within 3 years after the Settlement Date (**Satisfaction Date 2**), the Class B Performance Shares and Class C Performance Shares held will be automatically redeemed by the Company for the sum of \$0.0000001 within 10 Business Days of Satisfaction Date 2.
- (e) **(Change in Control):** Upon:
  - (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of Aleator;
    - (A) having received acceptances for not less than 50.1% of Aleator's Shares on issue; and
    - (B) having been declared unconditional by the bidder; or
  - (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of Aleator or its amalgamation with any other company or companies,

then, to the extent Performance Shares have not converted into Shares due to satisfaction of a Milestone, Performance Shares automatically convert to that number of Shares which when issued together with all Shares issued under any other class of performance shares then on issue in Aleator, is equal to the lesser of one Share per Performance Share and 10% of the total Shares on issue at that time. Aleator Performance Shares that are not converted into Shares will continue to be held by the holder on the same terms and conditions.

- (f) **(After Conversion):** Shares issued on conversion of Performance Shares will, upon and from their issue, rank equally with and confer rights identical with all other Shares then on issue and application will be made by Aleator to ASX for official quotation of Shares issued upon conversion (subject to complying with any restriction periods required by the ASX).
- (g) **(Conversion Procedure):** Aleator will issue the Holder with a new holding statement for Shares as soon as practicable following the conversion of Performance Shares into Shares.

#### 14.4 Terms and conditions of the Broker Options

- (a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

- (b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.09 (**Exercise Price**)

- (c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) three (3) years following the date of re-admission of the Company to ASX following the completion of the Vonex Transaction (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

- (d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

- (e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

- (f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Quotation**

The Company will not apply for quotation of the Options on ASX, however may do so at a later date.

(m) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

#### 14.5 **Terms and conditions of the Performance Rights Plan**

The key terms and conditions of the Vonex Limited Performance Rights Plan are set out below:

- **Eligibility:** Directors, employees and contractors selected by the Board of Directors may be offered the benefit of performance rights over shares (**Performance Rights**) under the Vonex Rights Share Trust (**Participants**).
- **Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Participants will be offered Performance Rights under the Plan.
- **Performance Rights:** Performance Rights may be offered to Participant, being:
  - retention rights, being rights that vest and may be exercised into Restricted Shares, based on completion of a period of service; or
  - performance rights, being rights that vest and may be exercised into Shares, based on achievement of specified performance objectives.
- **Restriction on Transfer:** A Performance Right may not be transferred or otherwise dealt with (including being disposed of, encumbered, made subject to any interest in favour of any other person) and lapses immediately on purported transfer or dealing unless the Board, in its absolute discretion, approves the transfer or the dealing or transfer is effected by operation of law on death or legal incapacity to the Participant's legal personal representative.
- **Vesting:** Following the end of the Measurement Period, as applicable, the Board will determine for each tranche of Performance Rights, the extent to which they vest, which may vary depending on the specific vesting conditions set (**Vesting Percentage**). Where a tranche of Performance Rights vest, the number of Performance Rights multiplied by the Vesting Percentage prior to and including the final day of the Measurement Period will be paid in cash and Shares as follows:
  - \$1,000 per tranche that vests; and
  - provided that the Vested Rights Value is over \$1,000, the remainder in Shares (being the number of vested Rights, less \$1,000).

- **Vesting and Exercise:** Upon vesting and exercise of the Performance Rights, the Company will issue Shares for the Participant's benefit to be held by the by the Vonex Rights Share Trust (**RST**). The Performance Rights have a nil exercise price.
- **Rights attaching to Shares:** Each Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.
- **Quotation on ASX:** The Company will apply for each Share to be admitted to trading on ASX. Quotation may be subject to restrictions on trading placed on them by the ASX Listing Rules.
- **Bonus Issues:** If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the number of Performance Rights to which each holder is entitled, will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
- **Pro-rata Issues:** Subject to any requirements of the Corporations Act and the ASX Listing Rules, in the case of general pro-rata issues to the Company' shareholders, there will be no adjustment to the Performance Rights. However, the Board may consider issuing options:
  - of a number up to the number of Shares to which the Participant would have been entitled under the pro-rata issue, had the Performance Rights been fully paid ordinary shares in the Company, and
  - the exercise price of such options will be equal to the amount payable by the Company's shareholders to acquire a Share pursuant to that pro-rata issue.
- **Capital Reconstructions:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- **Forfeiture:** The Performance Rights will be forfeited in the event that the Participant is dismissed for cause, resigns (unless otherwise determined by the Board) or where the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to the Company.
- **Lapse:** if Performance Rights have not vested and are not capable of being vested at a later date, they will lapse.
- **Change in Control Including Takeover:** In the event of a change in control including a takeover, the vesting conditions attached to the Performance Rights will cease to apply and unvested Performance Rights will vest in the proportion to which the vesting conditions have



been met or as determined by the Board, up to 100%. The Board will have discretion to vest some or all of the remaining unvested Performance Rights with any Performance Rights that do not vest lapsing.

- **Distribution of Capital to Shareholders:** In the event that the board decides to declare a special dividend or undertake a return of capital to shareholders, the Board may in its discretion determine that some or all of the unvested Performance Rights held by Participants shall vest and may also determine that any remaining unvested Performance Rights shall lapse.
- **Plan limit:** The Company must take reasonable steps to ensure that the number of Shares issued pursuant to the vesting and exercise of any Performance Rights offered by the Company under the Plan, when aggregated with:
  - the number of Shares, which would be issued were each outstanding offer with respect to Performance Rights, or other Shares or options under an employee incentive scheme accepted and all convertible securities under such a plan converted; and
  - the number of Shares that would be issued if each outstanding offer for Shares (including options or rights to acquire unissued Shares) under any employee incentive scheme of the Company were to be exercised or accepted, does not exceed 15% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or option or right to acquire Shares that can be disregarded in accordance with relevant ASIC Class Orders).

#### 14.6 Terms and conditions of the Performance Rights

The terms and conditions of the Performance Rights are in accordance with the Performance Rights Plan as set in Section 14.5 with the vesting conditions as follows:

- (a) The Performance Rights shall vest into one (1) Share on the occurrence of:
  - (i) revenue of the Vonex Group exceeding \$6 million per annum calculated on a quarterly basis for any two consecutive quarters within two years of Settlement; and
  - (ii) Aleator maintaining a market capitalisation of more than \$40 million for 10 consecutive ASX business days based upon the number of Shares on issue at the time immediately following Settlement and where applicable, adjusted to include additional Shares issued on the conversion of any of the Performance Rights,
- (b) **(Notification to holder):** The Company shall notify the holder in writing when the relevant Milestones have been satisfied.

#### **14.7 Interests of Directors**

Other than as set out elsewhere in this Prospectus, no Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers;
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offers.

#### **14.8 Interests of Experts and Advisers**

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- (b) promoter of the Company;

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (c) the formation or promotion of the Company;
- (d) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers; or
- (e) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services provided in connection with:

- (f) the formation or promotion of the Company; or
- (g) the Offers.

RSM Bird Cameron Corporate Pty Ltd has acted as the Investigating Accountant of the Company and has prepared the Investigating Accountant's Report which is included in Section 11 of this Prospectus. The Company estimates it will pay RSM Bird Cameron Corporate Pty Ltd a total of \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, RSM Bird Cameron Corporate Pty Ltd has not received any fees from the Company for their services.

Steinepreis Paganin has acted as the solicitors to the Company. The Company estimates it will pay Steinepreis Paganin \$80,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received fees of approximately \$67,066 (excluding GST) from the Company for legal services.

PAC Partners Pty Ltd has acted as the lead manager to the Company. The Company will pay the fees as set out in Section 13.2(a) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, PAC Partners Pty Ltd has received fees of approximately \$44,994 (excluding GST) from the Company for services.

## **14.9 Consents**

Other than as set out below, each of the parties referred to in this Section 14.9:

- (a) does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by the relevant party;
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of the party; and
- (c) did not authorise or cause the issue of all or any part of this Prospectus.

RSM Bird Cameron Corporate Pty Ltd has given its written consent to being named as Investigating Accountant of the Company in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 11 of this Prospectus in the form and context in which the information and report are included. RSM Bird Cameron Corporate Pty Ltd has not withdrawn its written consent prior to lodgement of this Prospectus with ASIC.

RSM Australia Partners has given its written consent to being named as the Auditor of the Company in this Prospectus and to the inclusion of the audited figures contained in the Investigating Accountant's Report in Section 11 of this Prospectus in the form and context in which the information is included. RSM Australia Partners has not withdrawn its written consent prior to lodgement of this Prospectus with ASIC.

Steinepreis Paganin has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as Australian lawyers to the Company in relation to the Offers.

PAC Partners Pty Ltd has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as the lead manager in relation to the Offers.

Computershare Investor Services Pty Limited has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as the shares registry to the Company.

#### 14.10 Expenses of the Offers

The total expenses of the Offers (excluding GST) are estimated to be approximately \$538,028 (if the Maximum Subscription is raised under the Public Offer and no Options are exercised).

The table below sets out the items that the expenses of the Offers (assuming both Minimum Subscription and Maximum Subscription) are expected to be applied towards:

Item of Expenditure	Proposed Minimum Subscription (\$3,600,000)	Proposed Maximum Subscription (\$5,000,000)
ASX Fees	\$79,628	\$81,208
ASIC Fees	\$2,320	\$2,320
Legal, Accounting and Due Diligence Expenses	\$100,000	\$100,000
Lead manager fee	\$266,000	\$350,000
Printing and Distribution	\$4,500	\$4,500
<b>TOTAL</b>	<b>\$452,448</b>	<b>\$538,028</b>

#### 14.11 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will continue to be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

#### 14.12 Electronic Prospectus

The Corporations Act allows distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form.

If you have received this Prospectus as an electronic prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at <http://www.aleatorenergy.com.au>.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

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**15. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Existing Director and Incoming Director has consented, and as at the date of this Prospectus has not withdrawn his consent, to the lodgement of this Prospectus with the ASIC.

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**Mark Rowbottom**  
**Executive Director**  
**For and on behalf of**  
**Aleator Energy Limited**

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## 16. GLOSSARY AND INTERPRETATION

### 16.1 Definitions

Unless the context requires otherwise, where the following terms are used in this Prospectus, they have the following meanings:

**\$** means an Australian dollar.

**Acquisition** means the purchase of 100% of the issued capital in Vonex by the Company in accordance with the Acquisition Agreement.

**Acquisition Agreement** means the binding heads of agreement entered into between the Company, Vonex and the Majority Vonex Shareholders for the option to conditionally acquire 100% of the issued capital in Vonex.

**Applicant** means a person who has submitted an Application Form.

**Application** means an application for Shares made on an Application Form.

**Application Form** means an application form attached to or accompanying this Prospectus relating to the Offers.

**ASIC** means Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the official listing rules of ASX.

**ASX Settlement Operating Rules** means the operating rules of the ASX Settlement Facility (as defined in Rule 1.1.1 and Rule 1.1.2 of the ASX Settlement Operating Rules) in accordance with Rule 1.2 which govern, inter alia, the administration of the CHESS subregisters.

**Board** means the board of Directors as constituted from time to time.

**Broker Options** means the 25,000,000 Options on the terms and conditions set out in Section 14.4.

**CHESS** has the meaning given in Section 7.8.

**Class A Performance Shares** means Performance Shares that will convert to a Share on the achievement of Milestone 1 as set out in Section 14.3(b)(i).

**Class B Performance Shares** means Performance Shares that will convert to a Share on the achievement of Milestone 2 as set out in Section 14.3(b)(ii).

**Class C Performance Shares** means Performance Shares that will convert to a Share on the achievement of Milestone 3 as set out in Section 14.3(b)(iii).

**Closing Date** means the closing date of the Offers as set out in the indicative timetable in Section 3 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offers early).

**Company, AWD or Aleator** means Aleator Energy Limited (ACN 063 074 635) to be renamed "Vonex Limited" at Settlement.

**Consideration Securities** has the meaning set out in Section 6.6 of this Prospectus.

**Consolidation** means a 3:1 consolidation of Securities as approved by Shareholders at the General Meeting.

**Constitution** means the constitution of the Company (as amended or replaced from time to time) and following settlement of the Acquisition will be as described in Section 14.2.

**Convertible Loans** means the convertible loans between the Vonex Convertible Securityholders and Vonex as summarised at Section 13.2(b).

**Corporations Act** means the Corporations Act 2001 (Cth).

**CPS** means a carriage service provider.

**Directors** means the directors of the Company appointed from time to time.

**Essential Resolutions** means those Shareholder resolutions referred to in Section 6.6 of this Prospectus as approved at the General Meeting, as described in further detail in the Notice of Meeting.

**Existing Directors** means the directors of the Company as at the date of this Prospectus.

**General Meeting** means the annual general meeting of the Company held on 30 November 2015.

**Incoming Directors** means Ms Brydie McKee and Mr Angus Parker.

**ITSP** means an internet telecommunication service provider.

**Lead Manager** or **PAC Partners** means PAC Partner Pty Ltd (ACN 165 735 438).

**Majority Vonex Shareholders** means Finance West Pty Ltd (ACN 115 768 477) as trustee for the Finance West Unit Trust, Guava Capital Ltd (ACN 154 250 067) and Carmine Lion Group Pty Ltd (ACN 146 816 935).

**Maximum Subscription** means where 111,111,111 Shares are accepted to raise a total of \$5,000,000.

**Minimum Subscription** means where 80,000,000 Shares are accepted to raise a total of \$3,600,000.

**Notice of Meeting** means the Notice of General Meeting and Explanatory Statement of the Company in relation to the General Meeting.

**Offers** means the Consideration Offer and the Public Offer and **Offer** means either one as the context requires.

**Official List** means the official list of ASX.

**Official Quotation** means official quotation by ASX in accordance with the ASX Listing Rules.

**oper8tor App** is the Vonex App as summarised in Section 8.5(c) of this Prospectus.



**operator Technology** means the technology behind the oper8tor App as set out in Section 8.5(c) of this Prospectus.

**Option** means an option to acquire a Share.

**PBX** means the Private Branch Exchange.

**Performance Shares** means the performance shares proposed to be offered as consideration under the Acquisition Agreement with the terms and conditions set out in Section 14.3.

**Proposed Board** means the proposed board of directors of the Company following Settlement being, the Remaining Directors and the Incoming Directors.

**Prospectus** means this prospectus.

**Public Authority** means any government or governmental, semi-governmental, administrative, statutory, fiscal, or judicial body, entity, authority, agency, tribunal, department, commission, office, instrumentality, agency or organisation (including any minister or delegate of any of the foregoing), any self-regulatory organisation established under statute and any recognised securities exchange (including without limitation ASX), in each case whether in Australia or elsewhere.

**Public Offer** means the offer of up to 111,111,111 Shares at an issue price of \$0.045 per Share to raise up to \$5,000,000 with a minimum subscription of 80,000,000 Shares to raise at least \$3,600,000, pursuant to this Prospectus.

**Recommendations** has the meaning given in Section 12.1.

**Related Bodies Corporate** has the meaning given to that term under section 9 of the Corporations Act.

**Remaining Directors** means Mr Mark Rowbottam and Mr Lewis Cross.

**Section** means a section of this Prospectus.

**Securities** means all securities of the Company, including a Share or an Option (as the context requires).

**Settlement** means settlement of the Acquisition in accordance with the terms of the Acquisition Agreement.

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

**Shareholder** means a holder of one or more Shares.

**Share Registry** means Computershare Investor Services Limited (ACN 078 279 277).

**Valid Application** means a valid and complete Application to subscribe for Securities under the Offers, accompanied by the appropriate Application money in full as applicable.

**Vendor Consideration Offer** has the meaning set out in Section 7.2 of this Prospectus.

**Vonex** means Vonex Limited (ACN 138 093 482).

**Vonex Business** means the business operated by Vonex as summarised in section 8.3 of this Prospectus.

**Vonex Convertible Securityholders** means the holders of Convertible Loans.

**Vonex Group** means Vonex and its subsidiaries. Being the entities set out at Section 8.4.

**Vonex PBX** means the PBX system developed by Vonex as set out in Section 8.3.

**Vonex Shares** means a fully paid ordinary share in the capital of Vonex.

**Vonex Shareholder** means a holder of Vonex Shares.

**Vonex Vendors** means the Vonex Shareholders and Vonex Convertible Securityholders that at Settlement, will have agreed to sell their interests in Vonex Shares and cancel their Convertible Loans on the terms and conditions set out in this Prospectus.

**WST** means Western Standard Time as observed in Perth, Western Australia.