

28 April 2015

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Incorporating  
NSX Limited  
ABN: 33 089 447 058

## **Notice under section 708AA(2)(f) of the Corporations Act**

This notice is given by NSX Limited ("**NSX**") under section 708AA(2)(f) of the Corporations Act 2001 (Cth) ("**Act**") as modified by Australian Securities and Investments Commission Class Order [CO 08/35] ("**CO 08/35**").

NSX today announced a non-renounceable entitlement offer ("**Entitlement Offer**") of 11 fully paid ordinary shares ("**New Shares**") for every 20 shares held by holders of fully paid NSX shares who:

- (a) are registered as a holder of NSX shares at 7.00pm (Sydney time) on the Record Date of Monday, 4 May 2015 ("**Record Date**"); and
- (b) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer,

### **("Eligible Shareholders")**

Eligible Shareholders may, in addition to taking up their entitlements in full, apply for additional shares ("**Additional Shares**") in excess of their entitlements at the same price as under the Entitlement Offer. Additional shares will only be available where there is a shortfall between applications received from Eligible Shareholders and the number of new shares proposed to be issued under the Entitlement Offer ("**Top-Up Facility**").

The allocation policy for Additional Shares subscribed pursuant to the Top-Up Facility will be as follows:

- (a) Each Eligible Shareholder who has applied for Additional Shares through the Top-Up Facility will be entitled to receive Additional Shares on a proportionate share of the shortfall having regard to their holdings as at the Record Date, provided that no Eligible Shareholder is permitted to increase its relevant interest to more than 20% of the Shares on issue following the Entitlement Offer, or if already more than 20% then by more than a further 3% of the Shares on issue following the Entitlement Offer.
- (b) The allocation process described above will be repeated in relation to any remaining shortfall and any subsequent shortfall, until either all new shares proposed to be issued have been allocated or all shortfall applications have been satisfied in full.

The directors have reserved the right to place any remaining shortfall in their discretion until 3 months after the close of the Entitlement Offer.

An offer document for the Entitlement Offer will be dispatched to Eligible Shareholders on Thursday, 7 May 2015.

In connection with the Entitlement Offer NSX confirms that:

- (a) NSX will offer the New Shares under the Entitlement Offer for issue without disclosure to investors under Part 6D.2 of the Act;
- (b) this notice is given by NSX under section 708AA(2)(f) of the Act, as modified by CO 08/35;
- (c) as at the date of this notice, NSX has complied with:
  - (a) the provisions of Chapter 2M of the Act as they apply to NSX; and
  - (b) section 674 of the Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in subsections 708AA(8) and (9) of the Act;
- (e) the potential effect of the Entitlement Offer on the control of NSX is as follows:
  - (i) If all Eligible Shareholders take up their entitlements under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of NSX.
  - (ii) If some Eligible Shareholders do not take up all of their entitlements under the Entitlement Offer, then the interests of those Eligible Shareholders in NSX will be diluted, and the percentage interests of participating Eligible Shareholders will increase, because the Entitlement Offer is not underwritten.

Financial and Energy Exchange Limited ("FEX") and associated companies control 53,843,868 (52.5%) of the issued capital of NSX. FEX has indicated that it (and its associated companies) intend to accept their full entitlement under the Entitlement Offer. The consequences of the potential effect on the control of NSX at the completion of the Entitlement Offer is that:

- if no other Eligible Shareholder applies for any New Shares or any Additional Shares, then its maximum possible voting power in NSX will be increased to 63.2%.
- if 50% of the remainder of the New Shares offered in the Entitlement Offer are subscribed for (either by non-FEX Shareholders taking up their entitlements and/or by applying for Additional Shares), then the voting power of FEX and associated companies would increase to 57.4%.

The Directors have reserved the right to place any shortfall at the \$0.10 issue price within 3 months after the close of the Entitlement Offer. Any such placement would have the effect of reducing the voting power of FEX and associated companies.

The consequences of FEX and associated companies increasing their voting power as set out above are that they will still be able to pass ordinary resolutions (as is currently the case), but will not reach the 75% threshold for being able to pass special resolutions without the votes of other shareholders.

Yours faithfully,

**Scott Evans**

Company Secretary

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