

Placement Capacity

On 14 July 2015, Pacific Niugini Limited (ASX: PNR) (the Company) announced that it had issued 3,300 convertible notes with a face value of \$1,000 each, convertible at \$0.06 per share with bonus options attaching on conversion (the Convertible Notes).

In calculating the number of Convertible Notes the Company could issue with reference to the placement capacity of the Company under Listing Rule 7.1, the Company did not include the bonus options that could be granted on conversion of the Convertible Notes.

The Company relied on external legal advice at the time of the issue regarding the calculation of its placement capacity.

The ASX has since advised the Company that its placement capacity was calculated incorrectly and accordingly:

- The Company exceeded its capacity to issue equity securities without security holder approval under listing rule 7.1 by 51,131,911 equity securities.
- Ratification by security holders of the issue of the 51,131,911 equity securities will not refresh the Company's capacity to issue securities without security holder approval under listing rule 7.1, as ratification under listing rule 7.4 is only available where the securities are issued without breaching listing rule 7.1.
- The Company has provided ASX with an undertaking that it will not issue any equity securities without security holder approval until 26 May 2016, unless the issue comes within an exception in listing rule 7.2 or is the result of the conversion of any Convertible Note into shares and options (or the exercise of options granted upon conversion of a Convertible Note).

Ends