



PETRATHERM ENTERS AGREEMENT TO ACQUIRE GOOROO

ASX ANNOUNCEMENT

4 May 2016

HIGHLIGHTS

- Petratherm Limited (ASX: PTR) (“Petratherm”) has entered into a Conditional Binding Terms Sheet with MSGooroo Pty Ltd (“Gooroo”), a human resources technology company.
- Petratherm to be renamed Gooroo Ventures Limited (“Gooroo” or the “Company”)
- Gooroo is a technology company using big data, machine learning and sociometrics to compatibility match and shortlist candidates to companies looking to hire
- In January 2016 Gooroo entered a three year global partnership with Microsoft Corporation which is now driving global awareness and adoption of the Gooroo platform
- On the back of the Microsoft partnership, Gooroo is extending its reach in the Australian, US and UK markets with India and Canada planned for 2nd half CY 2016
- Gooroo’s unique matching algorithm will predict whether a candidate ‘can do’ the work (skills), ‘will do’ the job (behaviour) and ‘will fit’ in to the organisation and team (culture)
- Gooroo is targeting the global information technology recruitment sector, a \$150 billion market supporting 100+ million technology professionals with 25+ million advertised jobs each year
- Gooroo’s solution solves the manual ‘hit & miss’ nature of the candidate search and shortlisting process; aiming to eliminate the majority of time spent by organisations in what is estimated to be a \$14.1 billion cost drain each year
- Gooroo’s talent platform will be used by hirers to identify and shortlist passive and active candidates. This international talent pool grew by a monthly average of 47% during the March 2016 quarter
- Gooroo has signed sales partnership contracts with global leading training providers. Gooroo delivers personalised training recommendations to candidates using its core matching technology
- Gooroo is currently raising \$1m via a convertible note that will convert to ordinary PTR shares on completion. Petratherm will raise a minimum of A\$3 million through a prospectus to accelerate growth.
- Mr Greg Muller and Mr Emmanuel Foundas will be appointed to the board immediately post completion of the transaction with Mr Kallis agreeing to resign. The new board will comprise of Mr Muller, Mr Foundas, Mr Stephens and Mr O’Loughlin, with an additional director to be announced.

Petratherm Limited (ASX:PTR) (“Petratherm”) is pleased to announce it has signed a conditional Binding Terms Sheet to acquire 100% of MSGooroo Pty Ltd (“**Gooroo**”), a technology company. **Petratherm / Gooroo will be renamed Gooroo Ventures Limited (“GOO” or the “Company”) on completion of the proposed transaction.**

The Gooroo transaction is subject to a number of conditions including a Petratherm shareholders’ meeting approval and a number of other matters including a capital raising, compliance with Chapters 1 & 2 of the ASX Listing Rules and re-admission to the official list of ASX.

Gooroo is a Victorian-based HR Tech company using big data, machine learning and sociometrics to dramatically improve the speed and accuracy in the job search and hiring process.

Additional background on Gooroo accompanies this Announcement.

The transaction includes the appointment of at least 3 new directors, being Greg Muller (Chief Executive Officer) and Emmanuel Foundas (Director). The final director and Chairman will be appointed subsequent to this announcement. Existing director Terry Kallis will resign on completion of the transaction.

Additional background on each of the proposed new directors is provided later in this release.

Following a change in name to Gooroo Ventures Limited a process will begin that sees your Company actively but prudently divest its exploration and geothermal interests. The Company will seek to maximise its position from the exit process, possibly via joint venture or outright sale should market conditions allow.

Funds (net of costs) raised will be used as follows:

- Additional working capital to support anticipated growth
- Additional marketing budget flexibility to build brand awareness, accelerate community growth and execute the sales strategy
- Additional research and development budget to accelerate product releases and meet market demands
- Prepare for and launch new international markets



Simon O’Loughlin
Chairman

About MSGooroo Pty Ltd (Gooroo)

Gooroo is a Victorian-based Human Resources Technology (HR Tech) company using big data, machine learning and sociometrics to compatibility match and shortlist candidates – addressing the massive inefficiency, cost and frustrations in the hiring process.

Gooroo was founded in 2012 by Greg Muller after many years experiencing the frustration (and excessive cost) in hiring IT talent for his fast growing national technology consulting firm. After research, planning and prototyping, full scale development of the platform was initiated in October 2013.

To solve what is a globally recognised problem, Gooroo has built a machine learning engine capable of compatibility 'matching' talent to jobs – moving well beyond simple and ineffective keyword searching used by competitors. As users interact with the platform and as the knowledgebase grows, the algorithm will get stronger and more intelligent, accelerating Gooroo's leadership position.

For talent, this means better control and less time in the search process. For employers, Gooroo will offer efficient access to qualified candidates; significantly reducing cost, time and error rate.

Gooroo's matching algorithm will uniquely predict whether a candidate 'can do' the work (skills), 'will do' the job (behaviour) and 'will fit' in to the organisation and team (culture). Importantly, the platform focuses on what the individual is capable and motivated to do, not just their past performance, ensuring that the superior candidate is identified, the first time.

Gooroo's vision for its technology is to provide better control for hirers, reduce employee churn and deliver more productive workforces.

Gooroo is initially targeting the \$150 billion global IT recruitment sector with a global talent pool of 100+ million professionals and 25+ million jobs advertised each year.

Gooroo currently ingests and analyses over 750,000 tech job ads each month across Australia, UK and USA. This has resulted in what is now a rich data repository which feeds the company's predictive job market models and people analytics platform. Approximately 1.2 million jobs are available on the Gooroo platform at any one time. Gooroo is planning to extend its reach in to India and Canada by the end of CY 2016.

Gooroo has established a community of tech professionals as a way to engage with technology talent. This community has been used to refine Gooroo's matching algorithms, and will offer various revenue opportunities. This community and network of passive tech professionals is growing rapidly, averaging 47% month-on-month growth during the March 2016 quarter.

Gooroo has recently established partnerships with global leaders in IT training; QA, New Horizons, DDLS and Pluralsight. With now over 7,200 online and instructor-led training courses available, this unique product leverages Gooroo's matching algorithm to deliver personalized training recommendations; each selected to improve a member's chance of getting the job and salary they're seeking. By recommending training Gooroo is positioned to play an important role in ensuring the future development of our talent base is aligned to employer demand and the specific technology skills needed across countries and cities.

In January 2016, Gooroo announced a three year global partnership with Microsoft, offering a new benefit to the millions of Microsoft Certified Professionals around the globe. Microsoft is now promoting the Gooroo benefit to its community, driving awareness and strong levels of adoption.

When hirers define their role requirements (skills and culture) on the platform, Gooroo's matching engine will produce a dynamic shortlist of quality candidates for that role, across geographies. Gooroo's goal is to remove 90% of the wastage in what is a \$14.1B global problem, while optimising individual and organisational outcomes.

Gooroo's globally scalable business model does not rely on hirers installing or integrating software in to their existing operational workflows, dramatically reducing sales lead times and maximising gross margin. Gooroo has plans to licence its technology to other job services and HR software platforms.

Core revenue streams include:

- Employment Services (Subscription-Based & On-Demand)
- Training Referrals
- Marketing Services
- Data & IP Licensing

KEY MANAGEMENT PERSONNEL

Greg Muller (Founder & CEO)

Greg is a highly regarded CEO with proven start-up success and global leadership credentials. Greg's career spans senior leadership roles in management consulting, agency and product development environments where he has built and led multi-disciplinary teams to market leadership status around the world.

Recent roles have included Group CEO Global Reviews (international digital marketing and customer experience SaaS analytics), MD Bullseye (national digital agency) and MD & Founder iFocus (digital strategy & development consultancy).

Greg has won multiple business and industry awards for his work and contribution to the digital sector over the past 20 years. His firm iFocus went on to become the largest independently owned digital agency in Australia.

Greg is now the CEO of Gooroo, a business he founded in 2012. At the start of 2015 Greg took on the full-time CEO roster to commercialise Gooroo.

Greg holds a Master of Business Administration (MBA) and a Bachelor of Applied Science.

Terence Siganakis (VP Technology)

Terence is a data scientist, software engineer and bioinformatition with over a decade of experience working on software solutions to big data related problems in industries as diverse as finance and investment banking, retail loyalty programs, public transport and community sector organisations.

Prior to joining Gooroo, Terence worked at the Peter MacCallum Cancer Institute, using his big data skills and the supercomputers of the VLSCI to analyse the DNA of cancer, work which was later published in the Journal of Pathology.

Terence leads Gooroo's technology team and is responsible for architecting and implementing Gooroo's analytics and machine learning platform. Terence holds a Master of Science (Bioinformatics) and a Bachelor of Computer Science.

Carl Joseph (VP Product)

Carl is a highly experienced product and programme manager, having managed large technology projects in the legal, government, and education sectors. Carl has an extensive background in solution design, business analysis, IT management and product management.

Carl was previously responsible for managing the largest fully integrated Microsoft Dynamics CRM implementation at the time within the Australian education sector. He was also invited to establish the Technology Without Borders group and served as their first President. He continues to advise and guide the organisation in his current role as Vice President.

As VP Product at Gooroo, Carl leads the product development and operations team and is responsible for the delivery of Gooroo's strategy. Carl is working towards a Master of Science (Astronomy), and has previously completed the Senior Leadership Program at Melbourne/Mt Eliza Business School.

NEW DIRECTORS

Mr Greg Muller and Mr Emmanuel Foundas will be appointed to the board immediately post completion. A further member will also join the Board post completion.

Mr Greg Muller

Greg is the CEO and Founder of Gooroo and has over 20 years' experience in technology, product, marketing and management consulting.

In 2000 and at 26 years of age, Greg founded his own technology and management consulting group growing it to become the largest independent digital agency in Australia as a result of a merger that he completed in early 2008. In 2010, Greg was approached and engaged by the board of Global Reviews, a leading marketing and customer experience digital analytics platform, to reposition the brand internationally and accelerate growth. At the end of 2014, Greg stepped down from the global CEO role to focus on the commercialisation of Gooroo.

During his career Greg has been the recipient of numerous industry and business awards. Most notably; BRW Fast 100 (2004, 2005), Dun & Bradstreet Business Award Finalist (2004) and SmartCompany Top 50 (2007).

Greg remains as a Non-Executive Director of Global Reviews and has completed a Master of Business Administration (MBA) and a Bachelor of Applied Science.

Mr Emmanuel Foundas

Emmanuel has over 25 years experience in investment banking with Salomon Smith Barney, Natwest Markets, Macquarie Bank, Dresdner Bank and Michell NBD in addition to his time at Mobil Oil Australia where he held the role of Assistant Treasurer.

He is currently Chief Representative, Oceania & SE Asia for ConduSiv Technologies and the Finance and Technology Lead for the Australian Education City Consortium.

Emmanuel has assisted and mentored a number of successful companies and was Chairman and CEO of CFT Holdings, which under his stewardship executed two co-operative joint ventures in China with State Owned Enterprises.

Emmanuel holds a Bachelor of Commerce degree from The University of Queensland and a Post Graduate Diploma from the Securities Institute of Australia.

TERMS OF THE AGREEMENT

Under the terms of the transaction, Petratherm will acquire 100% of the securities on issue in Gooroo in consideration for issuing the Gooroo vendors the following scrip consideration on a pre-consolidation basis:

- a) 1.25 billion fully paid ordinary shares in the capital of Petratherm (Petratherm Shares); and
- b) Performance shares in the capital of Petratherm, upon the satisfaction of the following milestones:
 - i. Milestone 1 (1.125 billion shares) vests once the post listing entity has registered at least 10,000 members of gooroo.io and achieved a 20-day volume weighted average price of New Shares on the ASX equal to or exceeding \$0.01 (on a pre-consolidation basis) at any time within 3 years from the date of completion of the Transaction.
 - ii. Milestone 2 (1.125 billion shares) vests once the post listing entity has generated for two (2) continuous quarters of consolidated sales revenue, excluding government grants, that equals or exceeds \$3.0m per quarter, or achieves \$10m in revenue for a financial year, or achieves a market capitalisation that equals or exceeds \$70 million (based on the shares on the ASX, including any outstanding options and Milestone 1 and Milestone 2 shares, but excluding any shares issued that are not permissible for inclusion in the calculation under ASX rules for performance shares). The Company must be at or above the market capitalisation for a period of at least 10 continuous business days, calculated using a 20 day volume weighted average price. The conditions of Milestone 2 must be achieved by 30 June 2019 in order to vest.
 - iii. Milestone 3 (500 million shares) vests once the post listing entity has generated for two (2) continuous quarters of consolidated sales revenue, excluding government grants, that equals or exceeds \$4.5m per quarter, or achieves \$15m in revenue for a financial year, or achieves a market capitalisation that equals or exceeds \$110 million (based on the shares on the ASX, including any outstanding options and Milestone 1, Milestone 2 and Milestone 3 shares, but excluding any shares issued that are not permissible for inclusion in the calculation under ASX rules for performance shares). The Company must be at or above the market capitalisation for a period of at least 10 continuous business days, calculated using a 20 day volume weighted average price. The conditions of Milestone 3 must be achieved by 30 June 2020 in order to vest.

Shares and Performance Shares issued to the Gooroo Initial Shareholder Group will be subject to trading restrictions imposed by ASX in accordance with the ASX Listing Rules.

The above acquisition is conditional upon satisfaction or waiver of the following conditions precedent:

- Completion of legal and financial due diligence to Petratherm's and Gooroo's respective satisfaction within 30 days;
- Petratherm entering into binding full form sale and purchase documentation with the shareholders of Gooroo;
- Petratherm obtaining all shareholder approvals necessary to implement the transaction;
- PTR to raise minimum gross proceeds of A\$3m or an amount required by the ASX to comply with ASX Listing Rules Chapters 1 and 2 at not less than A\$0.004 per share (on pre consolidation basis);
- Gooroo undertaking a capital raising to raise gross proceeds of at least \$1m and up to \$1.5m from existing and new investors, through the issue of an unsecured converting equity instrument that automatically converts to ordinary shares of PTR on listing via the RTO at a 20% discount to issue price under the prospectus document; and
- PTR obtaining in-principle approval from ASX for the re-admission of PTR's securities to trading following re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

Petratherm will also seek shareholder approval to change its name to Gooroo Ventures Limited.

PTR will potentially be required to undertake a consolidation of its share capital and if so will seek shareholder approval to do so at the General Meeting. All shares and options quoted in this announcement are on a pre-consolidation basis.

Re-Compliance with Chapters 1 and 2 of the ASX Listing Rules

As the transaction will constitute a significant change in the nature and scale of Petratherm's activities, the company will be required to re-comply with the new listing requirements set out in Chapters 1 and 2 of the ASX Listing Rules (including preparing a full form prospectus).

If the transaction proceeds, Petratherm intends to divest all of its existing exploration and geothermal assets.

INDICATIVE TIMETABLE

The indicative timetable for completion of the transaction and Petratherm's re-compliance with the ASX Listing Rules is outlined below:

Event	Date
Despatch Notice of Meeting	18 July
Lodge Prospectus with ASIC and ASX	11 August
General Meeting	18 August
Suspension of trading in the Company's securities	18 August
Offer under Prospectus opens	19 August
Offer under Prospectus closes	2 Sept
Consolidation record date	9 Sept
Completion of Petratherm acquisition and issue of shares under the Prospectus	16 Sept
Expected date for re-quotations of the Company's shares on ASX	30 Sept

INDICATIVE CAPITAL STRUCTURE

On the basis Petratherm completes the acquisition on the terms set out above, Petratherm's capital structure on a pre-Consolidation basis will be as follows (assuming A\$3 million is raised under the Capital Raising at \$0.004 per Petratherm Share and no other shares are issued by either Petratherm or Gooroo), excluding staff and director options:

Shareholders	Number of shares held
Current Petratherm shareholders ¹	777,570,139
Pre-RTO new investors in Gooroo ²	312,500,000
Gooroo Initial Shareholder Group ³	1,250,000,000
New Shareholders in Capital Raising	875,000,000
Total	3,215,070,139

1. Subject to rounding of individual holders
2. Shares issued to Pre-IPO investors in Gooroo as detailed in conditions precedent above
3. Performance Shares to be issued in Gooroo as detailed in terms of the transaction above.
4. Current Petratherm options will also be subject to the capital consolidation and as such post completion of the transaction existing options will equate to 850,000 options with varying exercise prices (between \$0.13 and \$0.14) and expiry 8-Jan-17 and 2-Mar-17).
5. The total options to be issued to Taylor Collison will be equal to 2.5% of the fully diluted capital structure including ordinary and performance shares upon listing under a prospectus with an exercise price equal to a 25% premium to the capital raising price under the prospectus document with a term of 3 years post being issued.
6. To support strategic discussions currently underway, Gooroo reserves the right to issue options equal to 1% of the undiluted capital structure upon listing with an exercise price equal to the capital raising price under the prospectus document with a term of 2.5 years post being issued.

Shareholder and Media Contacts:

Dan Eddington
Taylor Collison
deddington@taylorcollison.com.au
+61 8 8217 3900

Simon O'Loughlin
Petratherm
Chairman
+61 8 8111 4000