



STEAMSHIPS
TRADING COMPANY LIMITED

INCORPORATED IN PAPUA NEW GUINEA ARBN 055 836952

NOTICE OF SPECIAL GENERAL MEETING

Notice is hereby given that a Special General Meeting of Shareholders will be held at Level 1, Harbourside West, Stanley Esplanade, Port Moresby, Papua New Guinea, on Thursday 15th September 2016 at 11.00 am to consider the following items of business.

1. To consider and if thought appropriate pass a Special Resolution in the form annexed marked 'A'.
2. To carry out any other business that may be brought before the Meeting in conformity with the Constitution.

This Notice of Special General Meeting should be read in conjunction with the accompanying Explanatory Memorandum.

By order of the Board
M.R. Scantlebury, Secretary

Port Moresby
13 August 2016

PROXY



SEE OVERLEAF



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PROXY FORM

The Secretary
Steamships Trading Company Limited
PO Box 1, Port Moresby, Papua New Guinea

I/We, (full names) of
 (address) a member
 (Shareholder) of Steamships Trading Company Limited (the **Company**) appoint G.L. Cundle, Chairman of Directors and the
 nominee for casting votes, or failing him the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf
 at the Special General Meeting of the Company to be held at 11.00 am on the 15th September 2016 and at any adjournment
 thereof.

Dated this day of 2016

Signed

A member (Shareholder) entitled to attend and vote is entitled to appoint a proxy who need not be a member (Shareholder) of the Company. Proxies must be received at the Registered Office of the Company (Level 5, Harbourside West, Portion 771 & 1158, Granville, Stanley Esplanade, Port Moresby, National Capital District, Papua New Guinea) at least 48 hours before the time of the meeting. Should you desire to direct your proxy how to vote, please place a mark in the appropriate box. The Chairman intends to vote in favour of all resolutions for any undirected votes.

For Against Abstain

- | | |
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| <p>1. That the shareholders approve, for all purposes, including for the purposes of section 110 of the Companies Act 1997, the Company's entry into, delivery and the performance of its obligations under, certain finance agreements and other documents, including a guarantee in respect of amounts owing by subsidiaries of the Company and a general security deed over all of its assets, with each and all of the Australia and New Zealand Banking Group (PNG) Limited, Bank of South Pacific Limited and Westpac Bank – PNG – Limited (collectively the Banks), such agreements and documents to be upon terms and conditions and in a form as approved by the Board of Directors of the Company, in relation to the grant to the Company, by each or any of those Banks, certain facilities making provision for an aggregate amount of K565,000,000, the purpose of the facilities being (among other things) to refinance the existing loans the Company has with the Banks and to finance the working capital requirements of the Company and its subsidiaries.</p> | <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> |
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Annexure 'A'

Special Resolution of the Shareholders of Steamships Trading Company Limited (the Company)

Resolved:

That the shareholders approve, for all purposes, including for the purposes of section 110 of the Companies Act 1997, the Company's entry into, delivery and the performance of its obligations under, certain finance agreements and other documents, including a guarantee in respect of amounts owing by subsidiaries of the Company and a general security deed over all of its assets, with each and all of the Australia and New Zealand Banking Group (PNG) Limited, Bank of South Pacific Limited and Westpac Bank – PNG – Limited (collectively the **Banks**), such agreements and documents to be upon terms and conditions and in a form as approved by the Board of Directors of the Company, in relation to the grant to the Company, by each or any of those Banks, certain facilities making provision for an aggregate amount of K565,000,000, the purpose of the facilities being (among other things) to refinance the existing loans the Company has with the Banks and to finance the working capital requirements of the Company and its subsidiaries.



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EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for Shareholders in connection with the Special General Meeting. The purpose of this Explanatory Memorandum is to provide Shareholders with information that the Board believes to be material to Shareholders in deciding whether or not to approve the Resolutions detailed in the Notice of Special General Meeting.

This Explanatory Memorandum is dated 13 August 2016.

Special Resolution (75% or more of Shareholder votes in favour) – refinancing arrangements

Section 110 of the *Companies Act 1997* (Papua New Guinea) (the **Act**) provides that a company shall not enter into a 'major transaction' unless the transaction is approved by special resolution of shareholders or entry into the transaction is contingent upon obtaining such approval. A 'major transaction' is defined to include the acquisition or disposal of assets the value of which is more than half the value of the assets of the company before the acquisition or disposal (and includes any agreement for such acquisition or disposal). 'Assets' is interpreted to mean 'net assets' at the time the 'major transaction' test is applied.

The Company proposes to enter into refinancing arrangements with Westpac Bank – PNG – Limited, ANZ PNG Limited and Bank of South Pacific Limited (together, the **Banks**) for the purpose of, among other things:

1. refinancing existing loans the Company has with the Banks;
2. assisting with fluctuating working capital requirements and the issuance of bank guarantees in the ordinary course of business;
3. assisting with foreign exchange hedging requirements; and
4. other general corporate purposes.

The proposed refinancing is for a maximum aggregate amount of K565,000,000 and comprises separate facilities with each of the Banks (together, the **Facilities**) that are subject to common terms and common security sharing arrangements.

As part of the terms of the Facilities, it is proposed that the Company and certain of its subsidiaries (each a **Guarantor**) guarantee the repayment of amounts owing by the Company and certain subsidiaries, and each Guarantor grants security over its assets in relation to those obligations.

The Company is seeking approval to enter into the refinancing arrangements for all purposes, including for the purposes of section 110 of the Act.

The Board recommends that Shareholders vote in favour of this resolution.

Enquiries

Shareholders may contact the Company Secretary, Michael R. Scantlebury, on +675 313 7400 during office hours (Papua New Guinea time, Monday to Friday 8.00am to 5.00pm) if they have any queries in respect of the matters set out in this Explanatory Memorandum.