

# **EZENET LIMITED**

**ABN 84 083 646 477**

## **RIGHTS ISSUE OFFER DOCUMENT**

For a non-renounceable offer to Eligible Shareholders of 1 New Share for every 4 Shares held by way of a pro-rata Entitlements Issue at an application price of \$0.025 per New Share to raise approximately \$603,059 before issue costs

**UNDERWRITER – CPS SECURITIES PTY LTD**

**CLOSING DATE: 5.00PM (WST) 18 NOVEMBER 2009**

### **Important Notice**

*This document is not a prospectus and does not contain all of the information that an investor may require to make an informed investment decision regarding the New Shares offered by this document.*

*This document should be read in its entirety. If after reading this Offer Document you have any questions about the New Shares being offered under this Offer Document then you should consult your stockbroker, accountant or other professional advisor.*

*Investment in the New Shares offered by this Offer Document should be considered speculative.*

## IMPORTANT NOTES

This Offer Document is dated 23 October 2009 and is for a rights issue of continuously quoted securities (as defined in the Corporations Act) of the Company. The rights issue under this offer falls within section 708 AA of the Corporations Act and does not require disclosure to investors under a prospectus. Accordingly the level of disclosure in this Offer Document is significantly less than that required under a prospectus and Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisors before deciding whether to accept the offer.

Before deciding to invest in the Company, you should read and understand the entire Offer Document and, in particular, in considering the Company's prospects, you should consider the risk factors set out in Section 4 that could affect the Company's performance. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek advice from your professional adviser before deciding to invest.

No person is authorised to give any information or to make any representation in connection with the Offer that is not contained in this Offer Document or has not been released to ASX with the authorisation of the Company.

The Entitlement and Acceptance Form accompanying this Offer Document is important. Please refer to the instructions in Section 3 of this Offer Document regarding the acceptance of your Entitlement. Applications can only be submitted on a valid Entitlement and Acceptance Form that is only available with this Offer Document.

Cooling-off rights do not apply to an investment pursuant to this Offer. This means that, in most circumstances, you cannot withdraw your Entitlement and Acceptance Form once it has been lodged.

This Offer Document does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to lodge this Offer Document in any jurisdiction outside of Australia or to otherwise permit a public offering of New Shares in any jurisdiction outside Australia. This Offer Document is not to be distributed in, and no offer of Shares is to be made in, countries other than Australia and New Zealand. The Shares have not been or will not be registered under the US Securities Act of 1933 and may only be offered, sold or resold in, or to persons in, the United States in accordance with an available exemption from registration.

It is the responsibility of any Applicant to ensure compliance with any laws of a country relevant to their Application. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company as a representation that there has been no breach of such laws, that the Applicant is an Eligible Shareholder and that the Applicant is physically present in Australia and New Zealand.

Definitions of certain terms used in this Offer Document are contained in Section 7. Unless otherwise indicated all references to currency are to Australian dollars and all references to time (such as "WST") are to Perth, Western Australian time, unless otherwise indicated.

## **CORPORATE DIRECTORY**

### **Directors**

W G Martinick (Executive Chairman)

G R O'Dea (Managing Director)

D H Ward (Non-Executive Director)

### **Joint Company Secretaries**

S M O Watson

B D Dickson

### **Registered Office and Principal Place of Business**

Level 1

30 Richardson Street

West Perth WA 6005

Telephone: 08 9481 2555

Fax: 08 9485 1290

### **Share Registry\***

Security Transfer Registrars Pty Ltd

770 Canning Highway

Applecross WA 6153

Telephone: (08) 9315 2333

Facsimile: (08) 9315 2233

### **Auditors \***

Hewitt, Turner & Gelevitis

Suite 4, 1<sup>st</sup> Floor

63 Shepperton Road

Victoria Park WA 6100

### **Bank \***

National Australia Bank

Level 1 Gateway Building

177-179 Davy Streets

Booragoon WA 6154

### **Underwriter\***

CPS Securities Pty Ltd

Level 34, 2 The Esplanade

PERTH WA 6000

### **Stock Exchange Listing**

Listed on the Australian Securities Exchange

ASX code: EZE

\*These parties have had no involvement in this Offer Document

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**ENTITLEMENT AND ACCEPTANCE FORM**

## IMPORTANT DATES

Event	Date
Announcement of Rights Issue	23 October 2009
Lodgement of Offer Document and Section 708AA(2)(f) Notice and Appendix 3B	23 October 2009
Notice sent to shareholders	23 October 2009
Ex Date	27 October 2009
Rights Issue Record Date	2 November 2009
Offer Document and Entitlement and Acceptance Form dispatched	4 November 2009
Rights Issue Opens	4 November 2009
<b>Closing Date for Acceptances</b>	18 November 2009
Shares quoted on a deferred settlement basis	19 November 2009
Notification of under subscriptions	23 November 2009
Expected allotment of New Shares and despatch of shareholder statements	26 November 2009
Normal T+3 trading commences	27 November 2009

The above dates are indicative only and subject to change. The Directors reserve the right to vary these dates, including the Closing Date without prior notice. The Directors also reserve the right not to proceed with the whole or part of the Offer any time prior to allotment. In that event, the relevant Application Money will be returned without interest.

### What you need to do to apply for New Shares

#### Read

Read this Offer Document in full paying careful attention to the benefits and risks associated with acceptance of this Offer.

#### Consider and Consult

After reading the Offer Document, consider whether the investment is suitable for you in light of your particular financial position and investment objectives. If necessary please consult with your financial or investment adviser before making an investment decision.

#### Complete Entitlement and Acceptance Form

If you have decided to take up your Entitlement in full or in part, complete the Entitlement and Acceptance Form accompanying this Offer Document and lodge the form together with your application money by **5pm (WST) 18 November 2009**.

**If you have any queries concerning your Entitlement or what to do with this Offer Document, please contact:**

Security Transfer Registrars Pty Ltd telephone on (08) 9315 2333,

or Brett Dickson on (08) 9481 2555

**Or contact your stockbroker or professional adviser.**

## LETTER FROM THE CHAIRMAN

Dear Shareholder

Following a strategic review of the company's two business undertakings Ezenet announced on 27 April 2009 it had reached agreement to sell its 100% owned subsidiary Ezestream Pty Ltd which carried on the business of providing digital movie services to the hospitality and mining industries; that sale was completed in May this year. This left the company with its remaining business activity of investing in the resources industry, either directly or indirectly.

The Company believes that with the world recovering from the financial crises that beset it over the last 18 months now is the right time to be investing in the resources sector. Over the last few months we have reviewed a number on investment opportunities, many of which required a greater capital input than was readily available to the Company. With this in mind the board decided it prudent to raise additional working capital to enable to it take advantage of investment opportunities as they arose. A share placement was made to Professional and Sophisticated investors (as defined in the Corporations Act) and the board is pleased offer New Shares to existing shareholders on the same terms as provided to those Professional and Sophisticated investors.

Funds raised from this issue will be used for general working capital and investments, either directly or indirectly, in the resources sector.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Wolf Martinick', with a stylized flourish at the end.

Wolf Martinick  
**Executive Chairman**

## **1.0 DETAILS OF THE OFFER**

### **1.1 The Offer**

The Offer is for a non-renounceable pro-rata offer of New Shares to Eligible Shareholders on the basis of 1 New Share for every 4 Shares held, offering in total approximately 24,122,342 New Shares at an Application Price of \$0.025 per New Share to raise approximately \$603,059 (before Issue costs).

There is no minimum subscription. Fractional Entitlements will be rounded up to the nearest whole number of New Shares. For this purpose, holdings in the same name are aggregated for calculation of Entitlements. If the Company considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements.

No brokerage or stamp duty is payable by Eligible Shareholders on the issue of New Shares under this Offer Document.

### **1.2 Opening and Closing Date**

The Entitlements Issue will open for receipt of acceptances at 9.00am WST on 4 November 2009 and will close at 5.00 pm WST on 18 November 2009 (applications made by BPAY must be made prior to the shareholders financial institution cut-off time to ensure payment is received by the Company's Share Registry by the offer closing date).

The Company reserves the right, subject to the *Corporations Act* and the ASX Listing Rules, to close the Offer early, to extend the last date for receipt of Entitlement and Acceptance Forms, or to delay or withdraw the Offer at any time without prior notice, in which case all application monies for New Shares which have not been issued will be refunded (without interest) as soon as practicable.

® Registered to BPAY Pty Ltd ABN 69 079 137 518

### **1.3 Purpose of the Issue**

The Company expects to raise approximately \$603,059 million (before Issue costs) and will use the proceeds as set out in Section 2.

### **1.4 Entitlement**

Shareholders who are on the Company's Share Register at the close of business on the Record Date, being 2 November 2009, will receive rights to acquire 1 New Share for every 4 Shares held, at an Application Price of \$0.025 per New Share.

An Entitlement and Acceptance Form setting out your Entitlement to New Shares accompanies this Offer Document.

Entitlements not accepted by the Closing Date will lapse.

### **1.5 Actions Required by Shareholders**

A detailed explanation of the actions required by Shareholders is set out in Section 3.

If you wish to accept the Offer, your acceptance must be made on the Entitlement and Acceptance Form accompanying this Offer Document. Your acceptance must not exceed your Entitlement as shown on that form, and may be for the full amount or part amount of the Offer.

#### ***Acceptance of Terms***

All applications for New Shares must be made on the Entitlement and Acceptance Form. Any application will be treated as an offer from the applicant to acquire New Shares on the terms and conditions set out in this Offer Document. The Directors reserve the right to reject any applications for New Shares.

#### **1.6 Allotment and Application Money**

All acceptance monies are payable in full on return of the Entitlement and Acceptance Form enclosed with this Offer Document.

New Shares will be issued only after all Application Money has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be allotted and shareholder statements despatched on 26 November 2009.

All Application Money received before New Shares are allotted will be held in a special purpose account. After any Application Money is refunded (if required) and New Shares are allotted to Applicants, the balance of funds in the account plus any accrued interest will be received by the Company.

If the New Shares are not quoted by ASX within three months after the date of this Offer Document, the Company will refund all Application Money in full (without interest).

#### **1.7 Underwriting of the Entitlements Issue**

CPS Securities Pty Ltd, the Underwriter, has underwritten the Entitlements. A summary of the Underwriting Agreement (including the circumstances in which the agreement may be terminated) is set out in Section 5.5.

#### **1.8 Sub-Underwriting by Director**

Director Dr. Wolf Martinick is proposing to sub-underwrite part of the Issue. Details of effect of the sub-underwriting arrangements are contained in section 5.6.

#### **1.9 Shortfall**

To the extent that Eligible Shareholders do not take up their Entitlement in full, the resultant Shortfall will be allocated at the discretion of the Underwriter in consultation with the Company and in accordance with the provisions of the Underwriting Agreement.

The Directors reserve the right to separately place any New Shares which are not taken up by Eligible Shareholders under the Entitlements Issue within 3 months after the Closing Date. Those New Shares will be issued at the same issue price as offered to Eligible Shareholders under the Entitlements Issue.

The offer of any Shortfall is a separate offer made pursuant to this Offer Document and will remain open for up to three (3) months following the Closing Date.

#### **1.10 Treatment of Overseas Shareholders**

The Company is of the view that it is unreasonable to make the Offer in this Offer Document to shareholders whose registered address as at the Record Date is outside of Australia and New Zealand ("Excluded Shareholders") having regard to the number of shareholders outside these jurisdictions, the number and value of the securities that could be offered outside these jurisdictions and the cost of complying with applicable regulations in jurisdictions outside of Australia and New Zealand.

This Offer Document has not been and will not be registered under the securities laws of jurisdictions outside of Australia and New Zealand. Accordingly, no Entitlement and Acceptance Forms will be sent, and no offer will be made, to Shareholders with registered addresses as at the Record Date outside of Australia and New Zealand.

This Offer Document will be sent to Shareholders outside the above jurisdictions for information purposes only.

Non-Australian Shareholders should note that the Offer is being conducted in accordance with the laws in force in Australia and the ASX Listing Rules.



### **1.11 Quotation and Issue of New Shares**

No New Shares will be issued pursuant to this Offer Document until permission is granted by the ASX for quotation of the New Shares during the relevant time periods set out in the *Corporations Act*. The Company will apply to the ASX within seven days after the date of this Offer Document for the New Shares to be granted quotation.

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

### **1.12 Rights attaching to New Shares**

The New Shares issued under this Offer Document will rank equally in all respects with existing Shares. Full details of the rights and liabilities attaching to shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### **1.13 Risk Factors**

Applicants should appreciate that there are risks associated with any stock market investment, including an investment in the Company. There are general and specific risks which relate directly to the Company's business and are largely beyond the control of the Company and its Directors because of the nature of the business of the Company. These risks may affect the future operating and financial performance of the Company and the value of an investment in the Company. These risk factors are discussed in more detail in Section 4 of this Offer Document.

## 2.0 PURPOSE AND EFFECT OF THE ISSUE

### 2.1 Purpose of the Issue

The funds raised from the issue will be applied towards the following:

- (a) expenses of the Entitlements Issue;
- (b) administration expenses;
- (c) Enable the company to fund the review of new opportunities in the resources sector, either through direct or indirect investment; and
- (d) Increase general working capital.

The application of the \$603,059 raised under the Entitlements Issue is summarised as follows

Use of Funds	Amount \$
Expenses of the Entitlements Issue	65,000
Administration costs / working capital	538,059
<b>Total</b>	<b>603,059</b>

### 2.2 Effect of the Issue

The principal effects of the Entitlements Issue will be to:

- increase the Company's cash reserves by approximately \$603,059 million, (before taking into account the expenses of the Issue);
- provide the Company with additional capital for the purposes referred to in Section 2.1; and
- increase the total number of issued Shares (refer to Section 2.3).

### 2.3 Effect of the Issue on Capital Structure

Set out below is the existing capital structure (as at the date of this Offer Document) together with the impact of the Issue of New Shares.

Ordinary Shares	Number
Number of Shares on issue at the date of this Offer Document	96,489,368
New Shares offered pursuant to this Offer Document	24,122,342
<b>Total Issued Capital post Issue</b>	<b>120,611,710</b>

### **3.0 ACTION REQUIRED BY SHAREHOLDERS**

#### **3.1 What Eligible Shareholders may do**

The number of New Shares to which Eligible Shareholders are entitled ("your Entitlement") is shown on the accompanying Entitlement and Acceptance Form.

If you do not take up your Entitlement, then your percentage holding in the Company will be diluted.

As an Eligible Shareholder you may:

- take up all of your Entitlement (refer to Section 3.2 below); or
- take up part of your Entitlement and allow the balance to lapse (refer to Section 3.3 below);

Excluded Shareholders may not take any of the steps set out in Sections 3.2 to 3.3.

#### **3.2 Taking up all of your Entitlement**

If you wish to take up all of your Entitlement, you must complete the accompanying Entitlement and Acceptance Form for New Shares in accordance with the instructions set out in that form.

You must then forward your completed Entitlement and Acceptance Form together with your Application Money to reach the Company's Share Registry by **no later than 5.00 pm WST on 18 November 2009**. Please note that applications made by BPAY must be made prior to the shareholders financial institution cut-off time to ensure payment is received by the Company's Share Registry by the offer closing.

#### **3.3 Taking up part of your Entitlement and allow the balance to lapse**

Complete the accompanying Entitlement and Acceptance Form by writing in the space provided the number of New Shares you wish to accept, and the dollar amount as shown on the form, and attach your cheque or bank draft for that amount or attend to payment via electronic funds transfer using BPAY for the appropriate application monies

All Entitlements not accepted will form part of the shortfall which will be dealt with in accordance with Section 1.8 at the discretion of the Underwriters, in conjunction with the Directors. Those Shareholders whose Entitlements are dealt with as part of the Shortfall will receive no benefit.

#### **3.4 Payment**

The Application Price for New Shares is payable in full on application by a payment of \$0.025 per New Share. The accompanying Entitlement and Acceptance Form must be accompanied by a cheque or bank draft for the Application Monies. Cheques or bank drafts must be drawn in Australian currency on an Australian bank and made payable to "**Ezenet Limited - Share Account**" and crossed "Not Negotiable". Applicants must not forward cash. Receipts for payment will not be issued.

Please ensure that your completed Entitlement and Acceptance Form and cheque are received no later than 5.00pm (WST) on the Closing Date and delivered to the Company's share registry at:

By Hand

Security Transfer Registrars Pty Ltd

770 Canning Highway

APPLECROSS WA 6153

By Post

Security Transfer Registrars Pty Ltd

PO Box 535

APPLECROSS WA 6953

You should ensure that sufficient funds are held in relevant account(s) to cover the cheque(s). If the amount of your cheque(s) for Application Money is not sufficient to pay for the number of New Shares you have applied for, you may be taken to have applied for such lower number of New Shares as your cleared Application Money will pay for or your Application may be rejected.

Payments may also be paid via BPAY. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

### **3.5 Enquiries**

If you have any questions about your Entitlement please contact the Company's Share Registry, Security Transfer Registrars Pty Ltd by telephone on (08) 9315 2333 or at the address and contact details for which are given in the Corporate Directory section located at the beginning of this Offer Document. Alternatively, contact your stockbroker or other professional adviser.

### **3.6 Brokerage**

No brokerage or stamp duty is payable by Shareholders who accept their Entitlement to New Shares.

## 4.0 RISKS

The New Shares offered under this Offer Document are considered speculative because of the inherent risks associated with investments in Companies with their main business undertaking of investments in the acquisition of minerals prospects and mineral exploration, appraisal and development activities. In addition, there are risks inherent in investing in the share market in general.

In Section 1 below, the specific risks associated with the Company's business are addressed.

In Section 2 below, the general risks facing the Company are addressed.

The list of risk factors below ought not to be taken as exhaustive of the risks faced by the Company or any of its subsidiaries or by investors in the Company. These factors, and others not specifically referred to below, may in the future materially affect the financial performance of the Company and its subsidiaries and the value of the New Shares. Therefore, the New Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to take up part or all of their entitlement and apply for new Shares.

RISK	DESCRIPTION	RISK IMPACT
<b>SECTION 1: SPECIFIC RISKS: OTHER ACTIVITIES</b>		
<b>Operating</b>	The operations of the Company and those companies in which it invests may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grade in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.	Such changes may have an adverse effect on the operations of the Company by increasing costs, delaying activities, or decreasing the value of investments made in other companies.
<b>Environment</b>	The operations and proposed activities of the Company and those companies in which it invests are subject to regulation concerning the environment. As with most exploration projects and mining operations, those activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.	The ability of the Company to develop projects may be limited or higher costs imposed. Investments made by the Company may decrease in value.
<b>Additional requirements for Capital</b>	The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from the sale of non-core assets, the Company may require further financing in addition to amounts raised under the Entitlements Issue. Any additional equity financing will dilute existing shareholdings. Debt financing, if available, may involve restrictions on	Should sufficient cash not be available to the Company it may have to reduce its investment portfolio and/or modify its investment activities.

RISK	DESCRIPTION	RISK IMPACT
	<p>financing and operating activities. If the Company is unable to obtain additional financing as needed, it will be required to reduce the scope of its operations and scale back its investment activities. There is however, no guarantee that the Company will be able to sell its non core assets or secure any additional funding or be able to secure sales terms favourable to the Company.</p>	
<b>SECTION 2: OTHER GENERAL RISKS</b>		
<b>LEGISLATIVE CHANGE</b>	<p>Changes in government regulations, policies and the laws may have an adverse effect on the Company's operations and financial performance. The Directors cannot guarantee that current regulations, policies and laws will not change or impact on the Company's operations.</p>	<p>Such changes may have an adverse effect on the Company's operations and financial performance.</p>
<b>GENERAL ECONOMIC CLIMATE</b>	<p>A number of factors outside the control of the Company may impact significantly on the Company, its performance and the price of its shares, including:</p> <ul style="list-style-type: none"> <li>• inflation;</li> <li>• currency fluctuations;</li> <li>• interest rates;</li> <li>• legislative changes;</li> <li>• political decisions; and</li> <li>• industrial disruption.</li> </ul>	<p>The Company's future income, asset values and share price can be affected by these factors and, in particular, by the market price for any metals and other products that the Company may produce and sell.</p>
<b>STOCK MARKET CONDITIONS</b>	<p>Some of the critical market risks which may affect the operations and financial performance of the Company (regardless of the Company's operating performance) are:</p> <ul style="list-style-type: none"> <li>• domestic and international competition;</li> <li>• competitive pressures forcing market prices lower;</li> <li>• fluctuations in the commodity prices including the copper, gold and silver price;</li> <li>• market confidence;</li> <li>• supply of and demand for money;</li> <li>• supply of and demand for copper, gold and silver;</li> <li>• terrorism and other hostilities;</li> <li>• changes in fiscal, monetary and regulatory policies; and</li> <li>• currency exchange rate fluctuations.</li> </ul> <p>The market price of the New Shares when quoted on the ASX will be influenced by these international and domestic factors affecting sentiment and other conditions in equity and financial markets.</p>	<p>These factors may affect (adversely or positively) the prices for listed securities and the prices for the securities of mining companies quoted on the ASX, including the Company.</p> <p>These factors are beyond the control of the Company and the Company cannot to any degrees of certainty, predict how they will impact on the Company (if at all).</p>

## **5.0 ADDITIONAL INFORMATION**

### **5.1 Disclosing Entity and Enhanced Disclosure Securities**

The Company is a disclosing entity for the purposes of section 713 of the *Corporations Act* and the Listing Rules and its Shares are enhanced disclosure securities quoted on ASX and as such are subject to regular reporting and disclosure obligations which require it to disclose to ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

This Offer document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for New Shares under the Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Company announcements are available at [www.asx.com.au](http://www.asx.com.au).

### **5.2 ASX listing**

An application will be made within 7 days of the date of issue of this Offer Document for the New Shares to be granted Official Quotation by ASX.

If such an application is not made within these 7 days, or Official Quotation of the securities is not granted by ASX within 3 months of the date of issue of this Offer Document, then all application monies received pursuant to this Offer Document will be repaid as soon as practicable, without interest.

The Company participates in CHESS and will despatch holding statements in lieu of share and option certificates that set out the number of New Shares issued to each successful Applicant under this Offer Document.

It is the responsibility of Applicants to determine their allocation before trading in the New Shares. Applicants who sell New Shares before they receive their statement do so at their own risk.

### **5.3 Indemnification of Directors**

To the extent permitted by law, the Company indemnifies every person who is or has been an officer of the Company and indemnifies every person who is or has been an officer of the Company against reasonable legal costs incurred in defending an action for a liability incurred or allegedly incurred by the person as an officer of the Company.

### **5.4 Taxation**

The Directors consider that it is not appropriate to give advice regarding the taxation consequences associated with the acquisition, or the subsequent disposal of any Shares subscribed for under this Offer Document. The Directors recommend that all Eligible Shareholders consult their own professional tax advisers.

### **5.5 Underwriting Agreement**

The company has entered into an Underwriting Agreement with CPS Securities Pty Ltd the Underwriter has agreed to underwrite all of the Entitlements Issue pursuant to this Offer Document.

Pursuant to the Underwriting Agreement, the Company will pay the Underwriter, for its role as Underwriter, an underwriting fee equal to 5% of the underwritten amount of \$603,059 (being approximately \$30,158 (plus GST)). In addition, the Company must pay, indemnify and keep indemnified the Underwriter for all costs incurred by the Underwriter in connection with the Issue, including legal fees and disbursements and the reasonable costs of travel and accommodation, marketing and communication costs.

The Company has given warranties and covenants to the Underwriter which are usual in an agreement of this nature.

The Underwriting Agreement provides that the Underwriter may terminate the Underwriting Agreement and its obligation thereunder at any time without cost or liability to the Underwriter upon the occurrence of any one or more of the termination events ("**Termination Event**") including:

**(a) default** - the Company is in default of any of the obligations under this Agreement or breaches any warranty, representation or undertaking given under this Agreement which:

- (1) is incapable of remedy or is not remedied by the date Valid Applications are required to be lodged in accordance with clause 7.2; and
- (2) in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the Offer;

**(b) material change** - a material and adverse change occurs after the date of this Agreement in the:

- (1) financial position of the Company or a Subsidiary; or
- (2) the industry in which the Company or a Subsidiary operates;

**(c) contravention** - the Company contravenes any of the following, which in the reasonable opinion of the Underwriter has a material adverse effect on the Offer:

- (1) any law, regulation, authorisation, ruling, consent, judgment, order or decree of any Governmental Agency;
- (2) its Constitution or another constituent document;
- (3) an Encumbrance or document which is binding on:
  - (a) the Company or a Subsidiary; or
  - (b) an asset of the Company or a Subsidiary;

**(d) solvency** – an Insolvency Event occurs in relation to the Company or a Subsidiary:

**(e) war** - an outbreak of new hostilities or a state of war, whether declared or not, arises after the date of this Agreement, or an escalation of hostilities already in existence occurs, involving:

- (1) Australia;
- (2) Japan;
- (3) any member country of the European Community;
- (4) the United States of America;
- (5) any of the member states of the former Union of Soviet Socialist Republics;
- (6) Indonesia;
- (7) Peoples' Republic of China;
- (8) New Zealand;
- (9) Hong Kong;
- (10) Taiwan;
- (11) Singapore; or
- (12) Malaysia;

which in the reasonable opinion of the Underwriter has or is likely to have a material and adverse effect on the Offer;



(f) **dishonest director** – after the date of this Agreement a director of the Company or a Subsidiary commits or is convicted of a criminal offence or becomes a bankrupt which in the reasonable opinion of the Underwriter has or is likely to have a material and adverse effect on the Offer; and

(g) **Sub-underwriting** – the underwriting is conditional on the underwriter obtaining satisfactory sub-underwriting for \$603,058.

## 5.6 Shortfall Placement

The effect of the offer on control of the Company will be as follows;

- (a) If all shareholders of the Company on the record date of 2 November 2009 take up their entitlements under the Rights Issue then the Rights Issue will have no effect on the Control of the Company.
- (b) If the shareholders take up none or only some of their entitlements under the Rights Issue then the Underwriter will be required to take up their agreed underwritten amount. The Company has been advised by the Underwriter that the issue is sub-underwritten by several parties including Dr. Wolf Martinick, a director and substantial shareholder of Ezenet. The directors are satisfied that apart from Dr Wolf Martinick the sub-underwriters are unrelated and not associated with the Company. Therefore if no shareholder takes up its entitlement and the sub-underwriters subscribe for all the Shortfall Shares pursuant to the Rights Issue, there will be no effect on the control of the Company except as set out below.
- (i) Dr Wolf Martinick, a director of Ezenet, has sub-underwritten 9,000,000 of the up to 24,122,342 shares being offered under the Rights Issue for no fee. At the date of this notice Dr Martinick and Associates have a relevant interest in 16,281,451 ordinary fully paid shares representing 16.8% of the 96,489,368 fully paid shares currently on issue.

If no shareholder takes up its entitlement and Dr Wolf Martinick is required to subscribe for all the Shortfall Shares sub-underwritten by him then Dr Wolf Martinick's relevant interest in shares in Ezenet will increase to 25,281,451, representing 20.96% of the expanded share capital. In addition when Ezenet completes the placement of 23,500,000 shares the subject of a shareholders resolution being put at the Company's Annual General Meeting to be held on 27 November 2009 Dr Wolf Martinick's relevant interest will represent 17.54% of the fully paid shares then on issue.

## 5.7 Privacy

Applicants for New Shares will provide personal information to the Company and the Share Registry. Company laws and tax laws require some of the information to be collected and kept. The Company will collect, hold and use the information provided by Applicants to process applications and to administer investments in the Company.

If the information requested in the Entitlement and Acceptance Form is not provided, the Company and the Share Registry may not be able to process the relevant application.

The Company may disclose personal information for purposes related to shareholders' investments to the Company's agents and service providers. The types of agents and service providers that may be provided with personal information and the circumstances in which personal information may be shared are:

- the Share Registry for ongoing administration of the shareholder register,
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- the Underwriter to confirm applications; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising, on the Shares and for associated actions.

The Company complies with its legal obligations under the Privacy Act 1988 (Cth).

Shareholders may request access to their personal information held by (or on behalf of) the Company, and may be required to pay a reasonable charge to the Share Registry in order to access this personal

information. Request for access to personal information should be made by writing to or telephoning the Share Registry as follows:

Security Transfer Registrars Pty Ltd by telephone on (08) 9315 2333

#### **5.8 Rights issue Notice**

The Company has lodged with ASX a notice in accordance with section 708AA of the *Corporations Act* which sets out, amongst other information, the effect of the Offer on the control of the Company. This notice may be reviewed on the website of ASX.

#### **5.9 Estimated Expenses of Issue**

The expenses of the Issue (exclusive of GST) are estimated to be approximately \$65,000.

## 6.0 DEFINITIONS

In this Offer Document the following terms and abbreviations have the following meanings, unless otherwise stated or unless the context otherwise requires:

**\$ or AUD** Australian dollar.

**Applicant** A person who submits an Entitlement and Acceptance Form.

**Application Money** Money received from Applicants in respect of their applications.

**Application Price** \$0.025 per New Share.

**ASIC** Australian Securities & Investments Commission.

**ASX** ASX Limited (ACN 008 624 691).

**Board** The Directors of the Company from time to time.

**Business Day** Has the meaning ascribed to it in the ASX Listing Rules.

**CHESS** Clearing House Electronic Subregister System.

**Closing Date** 18 November 2009 (subject to the right of the Directors to extend this date without notice).

**Company** or **Ezenet** Ezenet Limited (ACN 106 346 918).

**Constitution** The Constitution of the Company.

**Corporations Act** *Corporations Act* 2001 (Cth) as amended from time to time.

**Directors** The Directors of the Company in office at the date of this Offer Document.

**Eligible Shareholder** A Shareholder of the Company, as at the Record Date, other than an Excluded Shareholder.

**Entitlement** The offer of New Shares pursuant to the Issue.

**Entitlement Issue or Issue** means the issue pursuant to the Offer Document of 24,122,342 New Shares on the basis of one (1) New Share for every four (4) Shares held on the Record Date at an issue price of \$0.025 cents per New Share to raise approximately \$603,509.

**Entitlement and Acceptance Form** The Entitlement and Acceptance Form accompanying this Offer Document that sets out the Entitlements of Shareholders to subscribe for New Shares pursuant to the Issue.

**Excluded Shareholder** A Shareholder, as at the Record Date, whose registered address is outside of Australia or New Zealand.

**Force Majeure** Any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties.

**Listing Rules** The Listing Rules of ASX.

**M** Million.

**New Shares** Shares to be issued under this Offer Document.

**Offer** The renounceable pro-rata issue pursuant to this Offer Document by the Company of New Share for 24,122,342 New Shares at an issue price of \$0.025 cents per New Share.

**Offer Document** This document

**Record Date** 2 November 2009.

**Securities** Shares and Options in the capital of the Company.

**Share Registry** Security Transfer Registrars Pty Ltd.

**Share** Fully paid ordinary share in the capital of the Company and "**Shareholder**" has a corresponding meaning.

**Shortfall Shares** New Shares for which successful valid applications have not been received by the Closing Date.

**Underwriter** CPS Securities Pty Ltd (ABN 73 088 055 636).

**Underwriting Agreement** An agreement dated 22 October 2009 between the Company and the Underwriter.

**WST** Western Standard Time

References in this Offer Document to Sections are to sections of this Offer Document.