



## MOBY OIL & GAS LIMITED

ABN 17 106 653 794

Level 21  
500 Collins Street  
Melbourne VIC 3000 Australia

Tel: +61 (0)3 8610 4700  
Fax: +61 (0)3 8610 4799  
Email: [admin@moby.com.au](mailto:admin@moby.com.au)  
Website: [www.moby.com.au](http://www.moby.com.au)

### RELEASE

#### PROPOSED DEMERGER OF ENEGEX NL

The Board of Moby Oil & Gas Limited ("Moby") (**ASX Code: MOG**) is aware that, for some time, trading in its shares and options has been around historic low prices, with low liquidity.

As a consequence, Moby's ability to undertake exploration activity and to raise funding is constrained, with Moby's principal shareholder and Executive Chairman, Mr Geoff Albers and his associates, who own approximately 55.73% of the shares in Moby, indicating that they are unwilling to support further capital raisings by Moby at this level.

The Moby board has been considering ways to lay the foundations necessary to reinvigorate Moby and its interests.

The Moby board considers that it would be in the best interest of all shareholders if Moby is divided into two companies.

These are proposed to be Moby and Egegex N L (ACN 160 818 986), ("Egegex") which is a newly incorporated subsidiary of Moby. Egegex is proposed to be listed on the ASX and will be owned, primarily, by the non Albers associated shareholders with the Albers associated shareholders holding approximately 11.46% of Egegex's capital and the non Albers associated shareholders owning approximately 88.56% of Egegex's capital.

Moby, which will become wholly owned by Mr Albers and his associates, will be delisted, with Egegex being listed on ASX in its stead.

Moby has sought rulings from ASX on the proposed restructure and been advised that ASX is likely to grant the necessary waivers to enable this restructure to proceed, as proposed.

As part of the proposals, the assets of Moby will be divided on an equitable basis between the two companies.

It is proposed that the restructure will be carried out by schemes of arrangement between Moby and its members and optionholders, and for this purpose, applications are proposed to be made to the Supreme Court of Victoria to convene appropriate meetings ("**Scheme Meetings**").

## PROPOSED DEMERGER OF ENEGEX NL

There are a number of groups of shareholders and optionholders around which the proposals will revolve.

The shareholder groups are as follows:

- The “**Non-Participating Parties**”. This means Mr Albers and those of his Associates who will, on completion of the Schemes, be the only remaining shareholders in Moby. None of the Non-Participating Parties will vote at either of the Scheme Meetings. These parties will not be shareholders in Egegex.
- The “**Participating Shareholders**” who will be the shareholders of Egegex. These are:
  - the “**Non-Associated Shareholders**”, who are all of the Members of Moby (other than Mr Albers or any of his Associates) and they hold 44.27% of Moby. On completion of the Schemes they will control Egegex and hold 88.54% of Egegex. Their Moby Shares will be cancelled in exchange for the Egegex Shares they will receive under the Schemes.
  - the “**Participating Albers Shareholders**”, who are certain named Associates of Mr Albers, who hold 5.73% of Moby and who will hold 11.46% of Egegex on their Moby Shares being cancelled in exchange for the Egegex Shares they will receive under the Schemes.

Under the proposed scheme between Moby and its optionholders, none of Mr Albers or any of his associates will receive any Egegex Options, even though they are major optionholders in Moby.

Only the “**Non-Associated Optionholders**”, who are all of the Moby Optionholders other than Mr Albers and his associates, will receive Egegex Options.

Mr Coppin, the sole independent director of Moby, has commissioned DMR Corporate Pty Ltd (“DMR Corporate”) to prepare an independent expert’s report to consider the proposals with the purpose of ensuring the proposals are fair and reasonable to, and in the best interests of, the Non-Associated Parties.

### **Background**

Moby’s capital is 322,000,862 fully paid ordinary shares.

The Non-Associated Shareholders hold 152,750,567 Shares (44.27% of Moby).

The Non-Participating Shareholders hold 161,000,431 shares (50% of Moby).

The Participating Albers Shareholders hold the remaining 18,448,928 Shares (5.73% of Moby)

## PROPOSED DEMERGER OF ENEGEX NL

In addition Moby has 40,662,282 Listed Options and 2,700,000 Unlisted Options. The Non-Associated Optionholders hold 19,471,318 Listed Options (47.885% of the Listed Options) and 2,600,000 of the Unlisted Options. Only Non-Associated Optionholders will receive Enegex Options.

Enegex is a wholly owned subsidiary of Moby with 5 ordinary fully paid shares on issue.

Enegex will enter into agreements in relation to each of the Petroleum Exploration Permits (“**Permits**”) in which Moby has a Participating Interest. Under those agreements, Enegex will earn a Participating Interest in each Permit and relevant Joint Venture Operating Agreement (“**Relevant JVOA**”).

In WA-342-P the Participating Interest acquired will be a 15% Participating Interest which is approximately 67% of Moby’s Participating Interest and, in each of WA-409-P, Vic/P41 and Vic/P47, Enegex will acquire 55% of Moby’s Participating Interest.

The table below sets out the Non-Associated Shareholders present indirect interest in those Permits and that indirect interest as it will exist after the Schemes have come into effect.

To ensure like is compared with like, the Non-Associated Shareholders’ percentages before the Schemes are calculated by reference to their 44.27% of Moby and after the Schemes, are calculated by reference to their proposed 88.54% of Enegex.

| Permit No.   | Moby % Interest before Schemes | Enegex % Interest after Schemes | Non-Associated Shareholders Indirect 44.27% Interest before Schemes | Non-Associated Shareholders Indirect 88.54% Interest after Schemes | % Increase in Non-Associated Shareholders Indirect Interest |
|--|--------------------------------|---------------------------------|---|--|---|
| <b>WA-409-P</b><br>(subject to dilution under Apache Farmin) | 30.00                          | 16.500                          | <b>13.28100</b>   | <b>14.6091</b>   | 10.0%   |
| <b>Vic/P41</b>   | 25.00                          | 13.750                          | <b>11.06750</b>   | <b>12.17425</b>  | 10.0%   |
| <b>Vic/P47</b>   | 35.00                          | 19.250                          | <b>15.49450</b>   | <b>17.04395</b>  | 10.0%   |
| <b>WA-342-P</b>  | 22.375                         | 15.375                          | <b>9.905413</b>   | <b>13.613025</b>   | 37.43%  |

**Prospective indirect interests of Non-Associated Shareholders in Moby Permits**

The interest of the Non-Associated Shareholders in each Permit increases significantly, particularly in WA-342-P, which contains what may be considered Moby’s most valuable asset, the Cornea oil and gas accumulation.

Enegex will earn its interest in each Permit by satisfying all future and ongoing work commitments in relation to the Participating Interest being acquired which is carried out after the Schemes come into effect (“**Effective Date**”).

## **PROPOSED DEMERGER OF ENEGEX NL**

### **Proposed Outcome of Proposals**

The Schemes will effectively “split” Moby and divide its assets and liabilities between Moby and EnegeX.

On completion of the proposals:

- the Non-Associated Shareholders, who hold 44.27% of capital of Moby, will hold 88.54% of EnegeX with the Albers Participating Shareholders holding the remaining 11.46% of EnegeX. EnegeX will not have any controlling shareholder.
- the Non-Associated Optionholders will hold 100% of the EnegeX Options
- EnegeX will be listed on ASX and Moby will be delisted from ASX and will continue to hold reduced interests in all of the Permits and other assets which it held prior to implementation of the Schemes.
- EnegeX will have earned Participating Interests in each of the Permits, as set out in the table, in consideration of it meeting future expenditure in relation to the percentage Participating Interests acquired.
- Moby will have paid EnegeX subscription moneys for the EnegeX Shares which are being issued by EnegeX to the Participating Shareholders which will be equivalent to 55% of the net cash and receivables of Moby after taking into account all liabilities of Moby up to the Effective Date. The exact amount of the moneys will be determined as at the Effective Date and paid to EnegeX on or before the Implementation Date of the Schemes.

### **What Non-Associated Parties receive under the Schemes**

Under the Share Scheme, Non-Associated Shareholders will be issued one fully paid EnegeX Share in exchange for every three Moby Shares held at the Record Date to determine entitlements to participate in the Share Scheme. Entitlements to fractions of an EnegeX Share will be rounded to the nearest whole EnegeX Share.

Under the Option Scheme, Non-Associated Optionholders will be granted one EnegeX Option in exchange for every three Moby Options held at the Record Date to determine entitlements to participate in the Option Scheme. Entitlements to fractions of an EnegeX Option will be rounded to the nearest whole EnegeX Option.

The terms of the EnegeX Options are that each EnegeX Option will be exercisable at \$0.20 (20 cents) up to 5.00 AEST on 31 December 2014.

The terms of the EnegeX Options will comply with ASX Listing Requirements.

As a consequence of the above the only remaining members of Moby will be Mr Albers interests.

## **PROPOSED DEMERGER OF ENEGEX NL**

### **Enegex's Future Operations**

Enegex will seek to expand its operations and may acquire interests in petroleum exploration or production interests from third parties, whether by purchase or by farm-in.

Subsequent to listing on ASX, Enegex may seek to raise further capital in accordance with the Listing Rules and the Corporations Act.

The timing and the terms of any issues by Enegex will not be determined until subsequent to Enegex's admission to the Official List of ASX and will be determined by Enegex's funding requirements relating to work commitments and other commitments as they evolve to ensure that as Enegex assumes contractual obligations, it has adequate funding to meet them.

### **Perceived advantages and disadvantages of the Schemes and associated proposals**

#### **Advantages:**

The advantages of the Schemes coming into effect will be set out in detail in the Scheme Booklet but the main perceived advantages are seen as these:

- Non-Associated Shareholders and Non-Associated Optionholders will receive full value for their Moby Shares and Moby Options because the Schemes will not be implemented unless their terms are both fair and reasonable and in those parties best interests;
- The value in the Non-Associated Shareholders and Non-Associated Optionholders Moby Shares and Moby Options should not be affected as the value of the Enegex shares and options received in exchange for them should exceed their value before the Scheme.
- The Non-Associated Shareholders interests in Moby's assets (including Permits) increases. Non-Associated Shareholders indirect interests in Permits increase by 10% in each Permit, other than WA-342-P, where their interests increase by approximately 37%.
- The Enegex structure should enable Enegex to be more receptive to proposals from third parties which might result in Enegex acquiring additional assets which may significantly enhance the value of Enegex shares and options.
- Investment in Enegex should be more attractive to potential investors because it will have a smaller, tighter capital structure and no controlling shareholder. For the same reason, trading in Enegex's securities may be more liquid than trading in Moby securities.

## **PROPOSED DEMERGER OF ENEGEX NL**

### **Disadvantages**

The disadvantages of the Schemes coming into effect will be detailed in the Scheme Booklet but the main perceived disadvantage is that Egegex will have less funds than Moby has immediately before the Schemes, making it more likely that Egegex will need to raise capital at an earlier time than Moby might otherwise have needed to raise capital.

### **Consequences of the proposals for the Non-Associated Parties**

The consequences of these proposals are that:

- the Non-Associated Shareholders will have exchanged their Moby Shares for Egegex Shares on terms which are fair and reasonable.
- the Non-Associated Optionholders will have exchanged their Moby Options for Egegex Options on terms which are fair and reasonable, with the Egegex Options giving them exposure to any upside in the underlying value of Egegex and its assets which occurs before 31 December 2014.
- the Non-Associated Shareholders will have increased their indirect interests in Moby's assets.

### **Implementation of proposals**

As the proposals are proposed to be effected, in part, by the Schemes, these must be approved by Members and Optionholders and, subsequently, by the Supreme Court of Victoria.

Importantly the Schemes, and the proposals outlined above, will not be implemented unless the Schemes come into effect and all the conditions relating to them are fully satisfied.

This means that unless the Non-Associated Parties become entitled to Egegex Shares and/or Egegex Options which are tradable on the ASX, their Moby Shares and Moby Options will not be cancelled and they will continue to hold them.

### **Voting at the Scheme Meetings**

Mr Albers and his associates will all abstain from voting at the Scheme Meetings save where directed to do so as a proxy holder for a Non-Associated Party directing them to vote.

This means that whether the Schemes are, or are not, implemented will depend solely on the votes of the Non-Associated Parties.

Clearly the Non-Associated Parties will only approve the Schemes if they perceive the proposals to be in their best commercial interests.

## **PROPOSED DEMERGER OF ENEGEX NL**

The Schemes are interdependent and neither Scheme will come into effect unless the other Scheme also comes into effect. Consequently;

- if the Non-Associated Shareholders fail to approve the Share Scheme coming into effect, neither Scheme will come into effect.
- if the Non-Associated Optionholders fail to approve the Option Scheme coming into effect, neither Scheme will come into effect.

### **Other Meetings**

For the Schemes to come into effect two other meetings need to be held.

### **General Meeting and Class Meeting**

The purpose of these meetings is to pass the Capital Reduction Resolutions without which the Schemes cannot come into effect. Under these resolutions the Non-Associated Shareholders Moby Shares are cancelled in exchange for the Enegex Shares they receive under the Share Scheme.

Only the Non-Associated Shareholders will vote at the Class Meeting.

Only the Non-Participating Shareholders will vote at the General Meeting.

This Scheme Booklet will provide all members and optionholders with a wide range of details, relevant information and considerations to be taken into account in deciding how to vote.

The market will be kept fully informed in relation to the proposals by further announcements to be made in due course. The next announcement is anticipated to be after application has been made to the court and the court has ordered meetings of Moby's members and optionholders to be convened to consider, and if thought fit, approve the Schemes.

At that time Scheme booklets and associated material will be despatched to members and optionholders.

### **By Order of the Board**



**J.G. Tuohy**  
Company Secretary

28 November 2012