

## ASX Waivers - Pro-rata non-renounceable rights issue

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As announced earlier today (30 May 2013), the Company is undertaking a non-renounceable entitlement issue of 2 fully paid ordinary shares in the capital of the Company (**Shares**) for every 1 Share held by eligible shareholders at an issue price of \$0.005 per Share to raise up to approximately \$16,250,927, together with 1 free attaching Option exercisable at \$0.01 on or before 31 July 2015 for every 2 Shares subscribed for and issued (**Option**) (the **Offer**).

The Company has sought and received a conditional waiver from ASX in relation to ASX Listing Rule 7.11.3 and 7.15 to allow the Company to undertake the Offer.

ASX Listing Rule 7.11.3 provides that the ratio of securities offered by a listed entity under a non-renounceable pro rata issue must not be greater than one security for each security held. As the Offer involves a ratio of two-for-one (2:1) Shares, plus a one-for-two (1:2) free attaching New Option, the Company has had to receive a waiver of Listing Rule 7.11.3 to undertake the Offer.

The waiver of Listing Rule 7.11.3 is conditional upon:

- (a) the Company obtaining shareholder approval to undertake the Offer (**Shareholder Approval**). A notice of meeting is currently being drafted and will be sent to shareholders in relation to this approval (**Notice of Meeting**). The meeting is currently scheduled for 11 July 2013; and
- (b) the Notice of Meeting containing a voting exclusion statement that excludes any substantial holders of the Company, proposed underwriter or sub-underwriter of the Offer, or any broker or manger of the Offer from voting on the proposed resolution.

ASX Listing Rule 7.15 provides that, if a Company is undertaking a pro-rata entitlement issue that is subject to shareholder approval, then the record date to determine entitlements under that offer needs to be at least 7 business days after the date of the meeting. The Company has had to receive a waiver of Listing Rule 7.15 to have the record date of the Offer prior to the Shareholder Approval.

The waiver of listing rule 7.15 is conditional upon the Company's securities not being reinstated to official quotation at any time prior to the Shareholder Approval.

One of the reasons for ASX granting the waiver of ASX Listing Rule 7.11.3 is that the Company is currently suspended from trading and, as such, is unable to undertake the Offer on a renounceable basis, making it impossible for the Company to comply with Listing Rule 7.11.3.

The reason for ASX granting the waiver of ASX Listing Rule 7.15 is that the Company's securities are currently suspended from trading (and will remain so until after the Offer and until the Company satisfies Listing Rule 12.2) and, as such, there is no possible confusion of having the record date after the Shareholder Approval.

As mentioned above, the Company's securities will remain suspended from trading until completion of the Offer and the Company satisfying the requirements of Listing Rule 12.2.

Under Listing Rule 18.1.1, all of the above mentioned conditions must be satisfied in order for the Offer to proceed.

Yours sincerely



**Trevor Harris**  
**Company Secretary**