



ASX Circular

Date: 23 December, 2013

Key topics

1. Galilee Energy Limited (ASX Code: GLL)
2. Olympus Funds Management Pty Ltd
3. Proportional takeover bid
4. Ex-takeover offer deferred settlement trading
5. Acceptances - CHES processing

Reading List

Client Advisers (Brokers)
Compliance Managers
ASX Settlement Participants
ASX Clear Participants
Operations Managers (back office)
Share Registries

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GALILEE ENERGY LIMITED LIMITED – PROPORTIONAL TAKEOVER BID BY OLYMPUS FUNDS MANAGEMENT PTY LTD

Participating Organisations are advised of the following trading and settlement issues in connection with the proportional bid made by Olympus Funds Management Pty Ltd (“Olympus Funds”) for one out of every two ordinary shares of Galilee Energy Limited (“GLL”).

The Proportional Bid by Olympus Funds has been despatched to the registered shareholders of GLL. However, it should be noted that the Proportional Bid has been made in respect of GLL shares currently on issue, but does not extend to any GLL shares issued after the offer has opened. Olympus Funds’ Proportional Bid is open, subject to extension or withdrawal, during the period 18 December 2013 to 7 February 2014 inclusive.

Due to the proportional nature of the Olympus Funds bid, which is for one out of every two shares of GLL shareholder’s holding, the trading arrangements set out in this bulletin are necessary during the offer period in order to comply with the *Corporations Act 2001* (Cth).

Corporations Act 2001

Section 653B(1) of the Corporations Act operates to ensure that a transferee of shares in respect of which a takeover bid has been made has the same rights to accept the offer in respect of those shares as the original holder of those shares to whom an offer has been made in accordance with section 633. The consequences of section 653B in the context of a Proportional Bid are:

1. If the original offeree has sold all of their shares in the target company before accepting the offer made to them as the holder shown on the company’s register of members, a corresponding offer is deemed to have been made to the transferee.
2. Once the original offeree has accepted the offer, none of their remaining holding can be sold on a Cum Offer basis. A transferee of the remaining holding of a person who has accepted a proportional offer is not eligible to accept the proportional takeover offer in respect of those transferred shares.
3. Where the original offeree sells part of their shareholding before accepting the proportional takeover offer, then a new offer is deemed to be made to them in relation to their remaining shares, and a corresponding offer is deemed to be made to the transferee in relation to the transferred shares.

Hence, the section operates as if the offer travels with the shares initially held by the original offeree, until the offer is accepted in relation to those shares by the person who is the holder of them, or is entitled to be registered in relation to them.

Trading and Settlement Arrangements

Deferred Settlement Ex Offer Market

A deferred settlement "Ex Offer" market will be established in GLL's ordinary shares (ASX Code: GLL). This market should only be used by offerees who have lodged an acceptance for the Olympus Funds Proportional Bid and wish to trade the remainder of their holding on-market. This Ex Offer market will continue for the duration of Olympus Funds' Proportional Bid. Settlement of trades conducted in the Ex Offer market will be deferred until after the completion of Olympus Funds' Proportional Bid. Olympus Funds' Proportional Bid is scheduled to close at 7pm (Sydney time) 7 February 2014, unless extended.

The following market quotations and protection procedures will apply in respect of Olympus Funds' Proportional Bid:

- a) As from the commencement of trading on 23 December 2013, GLL's ordinary shares will be quoted as follows:

Cum Offer (ASX code: GLL) – in respect of ordinary shares capable of acceptance of the Olympus Funds Proportional Bid. The Cum Offer market trades on a **normal T + 3 settlement basis**.

Deferred Ex Offer (ASX code: GLL) – in respect of ordinary shares not capable of acceptance of the Olympus Funds Proportional Bid. These shares represent "remaining balance" shares retained by shareholders who have accepted the Proportional Bid. The Ex Offer market trades on a **deferred settlement basis**.

The following timetable will apply in relation to these quotations:

| | |
|------------------|---|
| 23 December 2013 | GLL's ordinary shares quoted on either Cum Offer or Ex Offer basis |
| 6 February 2014 | Last date for Controlling Participants to process acceptances under CHES |
| 7 February 2014 | Olympus Funds' Proportional Bid closes |
| 12 February 2014 | "Despatch date". Processing of acceptances of Olympus Funds' Proportional Bid expected to be finalised. Final day of deferred settlement trading in the Ex Offer market |
| 18 February 2014 | Settlement of trades conducted in the Ex Offer market |

NB: (1) The closing date of Olympus Funds' Proportional Bid is subject to extension by Olympus Funds. No trades conducted in the Ex Offer market can be settled until after the conclusion of Olympus Funds' Proportional Bid. If the Proportional Bid is extended, then the settlement date for trades conducted in the Ex Offer market will also be extended. Persons who trade in the Ex Offer market should be aware that the settlement date is subject to the possibility of extension in this manner.

- b) Where a Participating Organisation receives a selling order for ordinary shares in GLL on a Cum Offer basis during the Olympus Funds' Proportional Bid period, it is the responsibility of that Participating Organisation to ensure that the ordinary shares are shares in respect of which the Olympus Funds Proportional Bid can be accepted. If it should be subsequently proved that the ordinary shares were Ex Offer shares, the Participating Organisation will be required to make good delivery by supplying Cum Offer shares.
- c) It is the responsibility of the buying Participating Organisation to contact those clients who are or become holders of Cum Offer GLL shares, but who have not or do not receive a bidder's statement and acceptance form from Olympus Funds to ascertain whether those clients may wish to accept the Olympus Funds proportional takeover offer.

CHES Takeover Acceptances

The method by which acceptances of the Olympus Funds Proportional Bid will be processed in CHES has implications for persons holding shares in GLL on the CHES subregister who wish to both accept the Olympus Funds Proportional Bid and sell the remainder of their holding on-market. Participating Organisations are referred to **CHES Bulletin P2013/699** for important information on how acceptances of the Olympus Funds Proportional Bid will be processed in CHES.

Unmarketable Parcels

Unmarketable Parcels is set at \$500 worth of GLL shares or less at registered level. This will be calculated on the basis of the last price at which GLL shares have traded on a 'cum-offer' basis on the trading day immediately prior to the date of acceptance of the Offer by the Galilee Shareholder. Unmarketable parcels may be dealt with in accordance with Section 618 of the Corporations Act (as modified by Class Order 13/521).

Offerees who do not wish to accept the offer

Offerees who do not wish to accept the Proportional Bid may continue to trade their holding on a T+3 basis, in the Cum Offer market (ASX code: GLL). This will enable the buyer to accept the Olympus Funds Proportional Bid.