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8 February 2011

The Adviser, Issuers (Perth)
ASX Compliance Pty Ltd

Dear Sir

Proposed Acquisition of the entire issued and paid-up capital of Cool D'Fine Pte Ltd and group companies ("Proposed Acquisition").

1. Introduction

The Board of Directors of Millepede International Limited ("the Company") is pleased to announce that the Company has entered into a non-binding Memorandum of Understanding ("MOU") with Cool D'Fine Pte Ltd ("CDF")

CDF and its group companies are one of the leading providers of marine and offshore heating, ventilation and air-conditioning (HVAC), refrigeration and mechanical ventilation systems in the Asia Pacific region. They are contractors specializing in marine HVAC projects and related product sale for the marine, offshore oil & gas industries.

The Proposed Acquisition is subject to the following key conditions:

- Reciprocal due diligence being conducted to the satisfaction of both parties;
- Both parties entering into a final agreement in respect of the acquisition;
- The Company observing ASX Listing Rule 11.1.3 and meeting the requirements of Chapters 1 & 2 of ASX Listing Rules as if it were applying for admission to the Official List of ASX;
- The shareholders of the Company approving resolutions to:
 - consolidate the shares of the Company at an appropriate ratio so that the share price post consolidation is at least 20 cents per share;
 - issue such number of ordinary shares in the issued capital of the Company deemed fully paid at a post consolidation issue price of at least 20 cents per share;
 - dispose of the current undertaking of the Company, subject to the Company observing relevant provisions of the Corporations Act and the Listing Rules;



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- approve of the Company's proposed change in the nature of its activities;
- approve of the Company's proposed change of name.

The notice of meeting setting out details of the above resolutions will include an independent expert's report in respect of the disposal of the current undertaking of the Company and a separate independent expert's report in respect of the proposed acquisition.

Subsequent to the completion of the Proposed Acquisition, the CDF group will be a 100%-owned subsidiary of the Company. The composition of the Board will be changed. The anticipated composition of the Board will be announced at a later date when details are finalized.

The Company will focus solely on the business of CDF upon completion of the Proposed Acquisition.

2. Purchase Consideration

The purchase consideration for the Proposed Acquisition based on a willing-buyer-willing-seller basis, shall be an amount equal to approximately A\$14 million ("Purchase Consideration"). The Purchase Consideration shall be satisfied by the issue of that number of post consolidation shares in the capital of the Company to the Vendors that is equal in value to the Purchase Consideration, determined on a pre-consolidated issue price of A\$0.008 each which is thereafter consolidated on the same basis that other shares in the capital of the Company are consolidated with shareholder approval, so that they are deemed fully paid at an issue price of at least 20 cents each ("Consideration Shares")

3. Proforma Capital Structure

After the consolidation of shares the capital structure of the Company after the Consideration Shares are issued, is estimated to be as follows:

	(‘000s)
Existing shares post consolidation	13,689
Post consolidation consideration shares	87,500
Total post consolidation shares on issue after completion	101,189



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The above is based on an assumption of a bid price of A\$0.01 per share and a consolidation ratio of 1 new share for every 20 existing shares. Assuming a post-consolidation share price of not less than A\$0.20 per share, the total market capitalization of the Company is anticipated to be approximately A\$20.2 million, noting that the Vendors would hold approximately 86.5% of the issued capital of the Company. The exact number of shares after consolidation depends on the trading price of the Company's securities prior to consolidation and it should be noted that the above estimate is likely to change.

4. About CDF

4.1 Overview of CDF

CDF and its group companies are one of the leading providers of marine and offshore heating, ventilation and air-conditioning (HVAC), refrigeration and mechanical ventilation systems in the Asia Pacific region. They are contractors specializing in marine HVAC projects and related product sale for the marine, offshore oil & gas industries.

The company excels in marine HVAC system design, fabrication and installation for a variety of applications (FPSO/FSO conversions, drill barges, drill ships, inland barges, submersible rigs, tugboat and all kinds of ocean going vessel, etc). It performs turnkey solution and handles the entire HVAC system installation, maintenance, repair and conversion.

Being the leading HVAC specialist for marine offshore oil and gas industry, CDF has experienced growth in the past 12 years, and has become one of Asia-Pacific's industry leaders with offices in Singapore, China, Malaysia and Indonesia. The company's client list features Keppel Shipyard Ltd, ST Marine Ltd, Jurong Shipyard Pte Ltd, Drydocks World Ltd, MMHE Sdn Bhd, Boustead Shipyard and PPL Shipyard. Some of its prestigious projects include HESS Platform, Derrick Lay Barge, FPSO Bumi Armada, FPSO Aker Smart 1, FPSO BW Pioneer, FPSO NISA, Modec BP Angola, LNG Golar Spirit to name a few.

For more information on CDF, please visit www.cooldfine.com

4.2 Proforma Consolidated Financial Highlights

Projected revenue for 2011 : A\$ 16.7*

Estimated Net profit for 2011 : A\$ 1.18*

* based on an exchange rate of A\$1: S\$1.27



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5. Rationale for the Proposed Acquisition

The Board of Directors of the Company believes that the Proposed Acquisition is in the interest of shareholders of the Company for the following reasons:-

- *Strong reputation* – CDF is one of the leading providers of marine and offshore heating, ventilation and air-conditioning, refrigeration and mechanical ventilation systems in the Asia Pacific region;
- *Positive Industry Outlook* – there is an expansion in the marine and offshore oil & gas industry and hence an increasing demand for HVAC and related services. The Proposed Acquisition will allow the Company to participate in this fast-growing sector;
- *Established Track record* — CDF has been able to record strong growth in its revenue and net profit during the past few years.
- *Strong financial position* – CDF has a strong balance sheet, positive operating cash flows and minimal borrowings.

The Company will make such further announcements relating to the Proposed Acquisition when appropriate.

For more information on the Proposed Acquisition, please contact Mr Kee Tang at +65 8239 3800 or Mr Sam Di Giacomo at 0451 835 944.

Yours sincerely
Millepede International Limited
On behalf of the Board

Kee Tang
Director