



# UCL Resources Limited

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21 May 2012

**ASX: UCL**

## **UCL RESOURCES FIFTH SUPPLEMENTARY TARGET'S STATEMENT RELEASED**

### **Substantial shareholder advises that it has no intention of accepting MAK's offer**

**UCL Resources Limited (ASX:UCL) ("UCL" or the "Company")** today released a Fifth Supplementary Target's Statement in response to the unsolicited takeover offer ("**MAK Offer**") by Minemakers Limited ("**Minemakers**" or "**MAK**").

The Fifth Supplementary Target's Statement updates previous statements relating to UCL's announcement of its proposed takeover bid for MAK ("**UCL Offer**"), the Convertible Note Agreement executed between UCL and Mawarid Mining LLC ("**MML**" or "**Mawarid**") and the placement of shares by UCL to MML.

UCL is also pleased to announce the appointment of Dr Mohammed Al-Barwani to the UCL Board. Dr Al-Barwani is the founder and Chairman of MB Holding Company LLC, which is the parent company of, Mawarid.

In addition, the UCL Board advises that it has received notice from MML that **in the absence of a significantly increased offer from MAK, MML does not intend to accept the revised MAK Offer, as announced on 30 April 2012, for any of the UCL shares it holds.** This follows UCL's announcement of 1 May 2012 that its major shareholders, the Twynam Group and Donwillow ("**Twynam**"), together representing 28.63% of UCL shares, continued to reject the revised MAK Offer. Together these shareholders represent **41.67%** of UCL's share capital.

The Directors of UCL continue to recommend unanimously that UCL shareholders **REJECT** the MAK Offer.

A full copy of the Fifth Supplementary Target's Statement is annexed to this announcement.

Please direct enquiries or requests for further information to:

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Financial & Corporate Relations Pty Ltd  
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## UCL RESOURCES LTD

### Fifth Supplementary Target's Statement

This is the Fifth supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth) ("**Fifth Supplementary Target's Statement**") issued by UCL Resources Limited ABN 40 002 118 872 ("**UCL**" or "**Company**") in relation to an off-market takeover bid made by Minemakers Limited ACN 116 296 541 ("**Minemakers**" or "**MAK**"), pursuant to which Minemakers proposes to acquire all shares it does not already own in UCL ("**MAK Offer**").

The Fifth Supplementary Target's Statement updates previous statements relating to UCL's announcement of its proposed takeover bid for MAK ("**UCL Offer**"), the Convertible Note Agreement executed between UCL and Mawarid Mining LLC ("**MML**" or "**Mawarid**") and the placement of shares by UCL to MML.

The Directors of UCL continue to recommend unanimously that you **REJECT** the MAK Offer.

This Fifth Supplementary Target's Statement supplements, and should be read together with, UCL's original Target's Statement dated 21 March 2012 ("**Original Target's Statement**"), UCL's first Supplementary Target's Statement dated 3 April 2012, second Supplementary Target's Statement dated 30 April 2012, third Supplementary Target's Statement dated 11 May 2012 and fourth Supplementary Target's Statement dated 18 May 2012. Unless the context otherwise requires, terms defined in the Original Target's Statement have the same meaning where used in this Fifth Supplementary Target's Statement. This Fifth Supplementary Target's Statement prevails to the extent of any inconsistency with the Original Target's Statement (as supplemented).

This Fifth Supplementary Target's Statement is dated 21 May 2012, being the date on which this Fifth Supplementary Target's Statement was lodged with ASIC.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to its contents, please consult your professional adviser without delay.

Pottinger

Financial Adviser



Legal Adviser

## 1. UPDATE RELATING TO UCL'S PROPOSED TAKEOVER BID

On 18 May 2012, UCL announced its proposal to acquire all shares in MAK, by way of an off-market takeover bid ("UCL Offer").

Under the UCL Offer MAK shareholders will receive:

- **1 UCL share for every 1.6 MAK shares held; plus**
- **4.5 cents cash for each MAK share held.**

This merger Offer implies a value of A\$0.208 per MAK share and represents a 6.4% premium to the closing price of MAK shares on Thursday, 17 May 2012. UCL intends to lodge its Bidders Statement this week.

The UCL Board believes that the UCL Offer is compelling for MAK shareholders and notes the following:

- **Financial terms of the UCL Offer are superior to the terms implied by MAK's own offer to UCL shareholders;**
- **The UCL Offer will allow MAK shareholders to benefit from an exchange of their MAK shares for UCL shares plus cash consideration. The UCL Board notes that MAK has not to date delivered a dividend to MAK shareholders. The UCL Board believes that if the UCL Offer is successful, prospective commercial development of Sandpiper may be accelerated and the payment of dividends from the Sandpiper Marine Phosphate Project ("Sandpiper" or the "Project") cash flows may result;**
- **Under the UCL Offer the interests of both MAK and UCL Shareholders in Sandpiper will remain close to current levels;**
- **The UCL Offer will allow MAK and UCL to achieve their shared objective of combining the ownership of Sandpiper;**
- **UCL believes financing is critical to the value in Sandpiper being unlocked. The UCL Offer will allow MAK Shareholders to benefit from the relationships that UCL has developed with strategic investors prepared to support UCL's Board and management team in commercialising Sandpiper. UCL has a proven track record in attracting major strategic investors, and is well advanced in attracting additional equity.**

### The Combined Group

Following completion of the UCL Offer, the Combined Group will have the following key attributes:

- an 85% interest in Sandpiper;
- a simplified corporate structure for Sandpiper;
- a combined pro-forma market capitalisation of A\$65.2 million<sup>1</sup>;
- pro-forma combined cash reserves of A\$16.5 million<sup>2</sup>;
- a 100% interest in Wonarah.

Should the UCL Offer be successful the Board of UCL intends to invite Mr Edward Ellyard, a non-executive Director of MAK to join the Board of UCL to draw on his business expertise and provide continuity for MAK shareholders. UCL would also consider favourably the appointment of an additional non-executive director from the MAK board to join the UCL Board, if such candidate, in the opinion of the UCL Board, were to offer complementary skills to those of the UCL Directors.

On completion of the UCL Offer, UCL intends to implement a strategy for the Combined Group focused on actively progressing the operational aspects of the Sandpiper Project. The UCL Board believes that if the UCL Offer is successful, prospective commercial development

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<sup>1</sup> Includes adjustment for net cash as a result of the Offer and estimated costs associated with UCL's response to MAK's offer but does not include costs associated with the Convertible Note Agreement or the Offer. Excludes the impact of UCL's proposed rights issue.

<sup>2</sup> Includes estimated costs associated with UCL's response to MAK's offer. Excludes the impact of the cash component of the consideration payable with respect to the Offer and the impact of UCL's proposed rights issue.

of Sandpiper may be accelerated, with prospective cash flows anticipated to be generated from 2014.

Further, UCL intends to conduct a review of MAK's Wonarah and other projects aimed at identifying and assessing how best to extract value from these activities in a manner which does not impede the rapid commercialisation of Sandpiper, or dilute the returns anticipated to be generated from the Project.

### Offer conditions

The Offer is subject to conditions including:

- 50.1% minimum acceptance;
- Namibian Competition Commission approval;
- no loss or announcement of loss of rights to the tenements comprising the Sandpiper and Wonarah projects, or rejection of licence applications or renewals materials to these projects;
- no prescribed occurrences, regulatory prohibition, judicial restraint or unanticipated distribution occurring; and
- customary conduct of business conditions.

### Funding

The total amount of cash that UCL may become obliged to pay to satisfy all expenses incurred by UCL in relation to the Offer, including the cash component of the consideration, will be provided under a convertible note agreement ("**Convertible Note Agreement**") entered into between UCL and its cornerstone shareholder, Mawarid, on 17 May 2012, and from UCL's current cash resources.

The Convertible Note Agreement provides for the provision of a loan for an amount being the lower of (i) A\$9,000,000, (ii) the amount required to fund the cash component of the Offer in relation to securities of MAK where the holder of those securities has accepted the Offer in accordance with its terms; or (iii) that amount which will, on a fully diluted basis, result in Mawarid's Voting Power in UCL exceeding 19.9% ("**Subscription Sum**"). Interest on the Subscription Sum accrues at 7.5% per annum, (based on a 360 day year) or 12.5% in the case of an Event of Default but only for the duration of the default, payable 6 monthly in arrears. The loan redemption date under the Convertible Note Agreement is 18 months from loan advance. The loan is redeemable in UCL shares at an issue price of 25 Australian cents (A\$0.25) per share (or lower in the case of an Event of Default), which if fully redeemed means the Company will issue 36,000,000 fully paid ordinary shares. Further details will be included in UCL's Bidder's Statement.

## 2. UPDATE RELATING TO PLACEMENT

UCL notes its announcement today of the appointment of Dr Mohammed Al-Barwani to the UCL Board. Dr Al-Barwani is the founder and Chairman of MB Holding Company LLC ("**MBHolding**"), the parent company of one of UCL's substantial shareholders, Mawarid.

Dr. Mohammed Al-Barwani is founder and Chairman of MB Holding. He has a Bachelor's Degree in Science from Miami University, Ohio, USA, and was awarded a Master's Degree and PhD in Petroleum Engineering from Herriott-Watt University, Edinburgh, UK.

Dr. Al-Barwani worked as a petroleum engineer for Petroleum Development Oman from 1976 to 1986. He founded MB Petroleum Services in 1986, Petrogas in 1999, Marwarid Mining in 1987, and acquired Oceanco in 2010. Today MB Holding is the parent company of a number of companies with wide ranging interests in Oilfield services, Exploration and Production of hydrocarbon, Minerals and Investments ([www.mbholdingco.com](http://www.mbholdingco.com)). The Group has operations in 20 countries, has 6,800 employees and generates annual revenues in excess of US\$1.2 billion. Dr. Al-Barwani is also the Chairman of Musstir, a property, hotels and resorts development company.

Dr. Al-Barwani is non-executive Chairman of two publicly traded companies, Transgulf Holding and Al Madina Insurance, and is a member of the Board of Oman Air (the National airline), was formerly a member of the Boards of National Bank of Oman (1986-2005), Shell Oman Marketing Company (1987-2005) and Taageer Leasing Company (2001-2006).

Dr Al-Barwani is the Honorary Consul of the Republic of Poland to the Sultanate of Oman. He is a member of the Sea-keepers International, a group dedicated to the protection of the Ocean's eco-systems and its environment.

He was conferred "COMMANDEUR" IN DE ORDE VAN ORANGE-NASSAU by Her Majesty the Queen of The Netherlands in January, 2012.

In addition, the UCL Board advises that it has received notice from MML that **in the absence of a significantly increased offer from MAK, MML does not intend to accept the revised MAK Offer, as announced on 30 April 2012, for any of the UCL shares it holds.** This follows UCL's announcement of 1 May 2012 that its major shareholders, the Twynam Group and Donwillow ("Twynam"), together representing 28.63% of UCL shares, continued to reject the revised MAK Offer. Together these shareholders represent 41.67% of UCL's share capital.

### 3 FURTHER INFORMATION

UCL Shareholders requiring additional information should call the UCL Shareholder Information Line on +61 2 9233 4750 and should consult their stockbroker or other professional adviser.

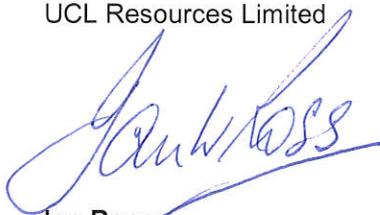
Announcements relating to the MAK Offer can be obtained from UCL's website at [www.uclresources.com.au](http://www.uclresources.com.au) and the ASX website at [www.asx.com.au](http://www.asx.com.au).

### 4 APPROVAL OF FIFTH SUPPLEMENTARY TARGET'S STATEMENT

This Fifth Supplementary Target's Statement is dated 21 May 2012 (being the date on which this Fifth Supplementary Target's Statement was lodged with ASIC) and has been approved by a resolution passed by all Directors.

A copy of this Fifth Supplementary Target's Statement has been lodged with ASIC. Neither ASIC nor any of its officers takes any responsibility for the content of this Fifth Supplementary Target's Statement.

Signed for and on behalf of  
UCL Resources Limited



**Ian Ross**  
**Chairman**  
**UCL Resources Ltd**

Dated 21 May 2012

## **Competent Persons' Statement**

*The information in this announcement that relates to Mineral Resources for the Sandpiper Marine Phosphate Project is based on information compiled by Roger Daniel who is a member of the Australasian Institute of Mining and Metallurgy. Mr Daniel is a full-time employee of the Company. Mr Daniel has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Daniel consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.*

## **Other information**

This Fifth Supplementary Target's Statement may contain forward-looking statements which can be identified by the use of words such as "may", "should", "will", "expect", "anticipate", "projected", "believe", "estimate", "intend", "scheduled" or "continue" or similar expressions. Any forward-looking statements contained in this Fifth Supplementary Target's Statement are subject to significant risks (both known and unknown), uncertainties, assumptions, contingencies and other factors, many of which are outside the control of, and unknown to, UCL, its officers, employees, agents and associates. This may cause the actual results or performance of UCL to be materially different from any future result so performed, expressed or implied by such forward-looking statements. There can be no assurance or guarantee that actual outcomes will not differ materially from these statements. No responsibility is accepted by UCL or any of its related entities, employees, agents or advisers, for any of the information or for any action taken by you on the basis of the information or opinions expressed in the course of this Fifth Supplementary Target's Statement.

Any information in this Fifth Supplementary Target's Statement concerning MAK, MAK's assets and securities, or where information regarding MAK has been used to prepare information with respect to the Combined Group, has been prepared from publicly available information. This information has not been independently verified and, accordingly, UCL makes no representations and warranties, express or implied, as to the accuracy or completeness of such information to the extent permitted by the Corporations Act. The information on MAK should not be considered comprehensive.

## **About UCL**

UCL Resources Limited (ASX:UCL) is developing, and has a 42.5% interest in, the Sandpiper Marine Phosphate Project off the coast of Namibia. Sandpiper is believed to be the world's largest individual marine phosphate resource, with sufficient resources to support a 20-year mine life. A definitive feasibility study has been completed and production is expected to begin in the Fifth quarter of 2013. UCL also has an interest in the Mehdiabad Zinc Project in Iran.

## **About MBHolding and MML**

Mawarid Mining LLC ("**Mawarid**" or "**MML**") is the wholly owned subsidiary of MBHolding Company LLC ("**MBHolding**"). MBHolding, together with its subsidiaries ("**MBHolding Group**"), is a diversified natural resource company from the Sultanate of Oman with significant operations in the Middle East, United Kingdom, Europe, North Africa, Asia, Asia-Pacific and Australia. MBHolding conducts its operations through four main business segments which comprise 'Integrated Oil & Gas Services', 'Exploration and Production of Oil & Gas', 'Engineering and Manufacturing' and 'Mining'. In addition to these operations, MBHolding also undertakes strategic investments and manages the financial investments of the MBHolding Group.

### **For further information contact:**

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### **For media enquiries contact:**

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