

# Aston Resources Limited

## Scheme of arrangement

### Chairman's address

#### Monday, 16 April 2012

### Welcome

Good morning ladies and gentlemen. I am Mark Vaile, Deputy Chairman of Aston Resources. As the senior Independent Director, my fellow Directors thought it appropriate that I chair today's meeting. The Court orders convening this meeting also state that I am to be chairman of today's meeting.

I would like to begin by welcoming you to today's scheme meeting and thank you for your attendance. I would also like to acknowledge my fellow board members, the management, staff, and shareholders for their commitment to the company over the past couple of years.

Today is a significant day in the history of Aston Resources. Today, shareholders will be asked to vote on a proposed scheme of arrangement under which Whitehaven Coal would acquire all the shares in Aston Resources and Aston shareholders will receive 1.89 Whitehaven shares in exchange for each Aston share (the **Scheme**).

### Business of meeting

The purpose of this scheme meeting is to seek the agreement of shareholders to the Scheme.

It is past 10am (being the scheduled start time for the meeting) and now time to commence the scheme meeting.

### Scheme meeting

I am advised that a quorum is present and I therefore declare the scheme meeting open.

Before I introduce your Directors, I will outline the conduct of today's meeting.

I remind everyone that this is a shareholders' meeting and only shareholders, appointed proxies, corporate representatives and attorneys have the right to speak and vote at the meeting. We have allowed visitors and press into the meeting.

Emergency exits are located around the room. In the event of an emergency please take direction from the staff of the Hilton.

As outlined in Aston's scheme booklet dated 9 March 2012 (**Scheme Booklet**), the resolution to be voted on by shareholders at today's meeting will be decided by a poll.

### Board and Company Secretary

I would now like to introduce to you my fellow Aston Directors and Officers. They are,

- Non-executive Director, Philip Christensen;
- Independent Director, David Ryan;
- Independent Director, Rick Gazzard;
- Interim CEO, Peter Kane;
- Interim CFO, Garry Wayling; and
- Company Secretary, Melissa Swain.

Unfortunately, your Non-Executive Chairman, Nathan Tinkler, is unable to attend today's meeting and has conveyed his apologies.

## Resolution proposed to be agreed to

The purpose of this meeting is to consider and, if thought fit, to pass the following resolution as a special resolution. This resolution is set out in the notice of meeting which is contained in Annexure C of the Scheme Booklet. I hereby move as a special resolution,

*That pursuant to and in accordance with section 411 of the Corporations Act, the Scheme of Arrangement (the terms of which are described in the Scheme Booklet of which the notice convening this meeting forms part) is agreed to (with or without modification as approved by the Federal Court of Australia).*

The proposal has also been outlined in detail in the Scheme Booklet which was made available to shareholders in accordance with Court orders.

## Overview of the Scheme

Ladies and Gentleman, before taking questions and voting on the resolution, I will now provide an overview of the proposed Scheme and an update as to the satisfaction or otherwise of conditions precedent to the Scheme.

On 12 December 2011, Aston and Whitehaven announced that they had entered into a Scheme Implementation Agreement under which they agreed to merge by way of a members' scheme of arrangement.

Whitehaven is an ASX listed company (ASX:WHC) which has a market capitalisation of approximately A\$2.9 billion (as at 9 December 2011). It is the largest coal producer in the Gunnedah Basin and employs more than 500 people in north-west New South Wales. Whitehaven currently operates five competitive producing mines in the Gunnedah region – Narrabri, Rocglen, Sunnyside, Tarrawonga and Werris Creek and is progressing the development of its Vickery project. It has an 11% interest in the Newcastle Coal Infrastructure Group, which operates the Port of Newcastle's second dedicated coal terminal. Whitehaven produces semi-soft coking and PCI coal for export markets and thermal coal for export and domestic markets.

The Directors believe that the transaction brings together two highly complementary and growth focused groups, creating a leading independent Australian coal company.

Whitehaven has also announced that they have entered into separate agreements to acquire all of the shares and other issued securities in unlisted coal explorer Boardwalk Resources (the **Boardwalk Transaction**). Whitehaven's acquisition of Boardwalk is conditional on its merger with Aston. However, Whitehaven's merger with Aston is not conditional on the completion of the Boardwalk Transaction. Whitehaven shareholders will meet today, to vote on the issue of shares to Boardwalk Securityholders as consideration for the acquisition of Boardwalk.

## Conditions of the Scheme

The Scheme is conditional on, amongst other things:

- the approval by Aston shareholders of the resolution to be considered at today's meeting; and
- the Federal Court of Australia approving the Scheme at the second court hearing which is scheduled to be held on Wednesday, 18 April 2012 at 2.15pm.

There are a number of other conditions to the Scheme set out in the Scheme Implementation Agreement and the Scheme Booklet. With the exception of the approval of Aston shareholders and Court approval, the other conditions have now been met or are expected to be met before the second court hearing.

## Director recommendation

The Independent Directors of Aston, have considered the merger with Whitehaven and have unanimously recommended that Aston shareholders vote in favour of the Scheme in the absence of a Superior Proposal (as defined in the Scheme Booklet). Mr Nathan Tinkler, your Chairman, and Mr Philip Christensen, as representatives of the Tinkler

Group and noting their interests in the Boardwalk Transaction, also recommend Aston shareholders vote in favour of the Scheme in the absence of a Superior Proposal. I can confirm that the Aston Board has not received any Superior Proposal since the Scheme was announced in December 2011.

In forming our unanimous recommendation, we have carefully considered:

- the opportunity for Aston shareholders to exchange their Aston shares for shares in a larger, more diversified company with strong growth prospects while retaining ongoing exposure to the tier one Maules Creek Project;
- the benefits to Aston shareholders resulting from an improved risk profile, becoming a major supplier of semi-soft coking and PCI coals with the potential to maximise margins and access a broader customer base and holding a strategic infrastructure position;
- the significant synergies expected to be realised from the combination of the Aston and Whitehaven assets;
- the substantial skill and expertise of the Merged Group's Board and management teams, and their track record of project delivery and value creation for shareholders; and
- the opinion of the Independent Expert that the Scheme is in the best interests of Aston shareholders.<sup>1</sup>

We believe that these factors significantly outweigh the potential disadvantages, risks and other considerations in relation to the Scheme. Further information on the advantages, disadvantages risks and other considerations is set out in the Scheme Booklet.

### **Shareholder approval**

In order for the resolution to be passed, it must be agreed to by:

- a majority in number of shareholders of Aston (other than Excluded Shareholders as defined in the Scheme Booklet) present and voting at the meeting (either in person or by proxy); and
- at least 75% of the total number of votes cast on the resolution at the meeting by shareholders of Aston (other than Excluded Shareholders as defined in the Scheme Booklet) present and voting at the meeting (either in person or by proxy).

I also note that, Mr Nathan Tinkler, Mr Philip Christensen and Farallon Funds and their respective affiliates have decided that they will not vote any Aston shares that they control on the Scheme at the scheme meeting, because of the benefits that they will receive in the Boardwalk Transaction.

### **Proxy Position**

The proxy position for the proposed resolution to agree to the Scheme will now appear on the screen behind me.<sup>2</sup>

I will now take questions from the floor in relation to the proposed Scheme. I will endeavour to answer your questions straight away. However, I do reserve the right to take a question on notice if an immediate answer is not available or if the question is

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<sup>1</sup> The Independent Expert has stated that its estimate of the implied value of the Scheme Consideration on a controlling interest basis is in the range of A\$11.50 to A\$16.29 per Aston share as a result of the Scheme. If the Boardwalk Transaction is completed, the Independent Expert has stated that its estimate of the implied value of consideration per share is in the range of A\$10.70 to A\$15.25 per Aston share. This compares with the Independent Expert's valuation of each Aston share (on a fully diluted, controlling interest basis) of A\$10.48 to A\$14.92.

<sup>2</sup> Refer to Appendix A for summary of proxy position.

specifically related to the affairs of a particular shareholder and therefore not of interest to shareholders as a whole.

If you wish to ask a question, please stand and an attendant will take your name and introduce you for the benefit of the other attendees of this meeting.

Please have your blue voting card, red non-voting card or yellow visitor's admission card available. I remind you that only those persons holding blue or red cards are eligible to ask questions at the meeting and I ask that you show your card to the attendant before he or she introduces you.

Are there any questions in relation to the proposed Scheme?

*(Take questions)*

I believe there are no further questions in relation to the Scheme and I therefore conclude discussion on this item of business.

We will now proceed to vote on the resolution to agree to the Scheme as set out in the notice of meeting. I will now put the resolution to the meeting and as required by the order of the Court, I now direct that the proposed resolution be determined by a poll.

I will now read out the voting procedures to you.

I have appointed David Eaton of Computershare and their staff to act as returning officer for the purposes of this poll.

As set out in further detail in the notice of meeting, people entitled to vote on this poll are shareholders, proxyholders and corporate representatives of shareholders. To be eligible to vote, you would have been issued with a blue voting card when registering for the meeting. Shareholders who have indicated that they will not vote on the resolution – being Mr Tinkler and his associates, Mr Christensen and his associates and the Farallon Funds and their associates, have been issued with red non-voting cards.

If there is any person present who believes they are entitled to vote but does not have a blue voting card, would you please raise your hand and a Computershare staff member will assist you.

On the reverse of your blue voting card is your voting paper which details the resolution that is being put to this poll.

If you are a proxyholder and only have directed votes (for and/or against) as shown on the summary of votes attached to your blue voting card, all you need to do is print your name and sign the voting paper and lodge it in a ballot box. If you have been directed to abstain from voting, you should not complete or lodge the voting paper.

If you are a proxyholder with open votes, you need to mark a box beside the resolution to indicate how you wish to cast the open votes (for or against). If you wish to abstain you should not complete or lodge your voting paper.

All other people who have a blue voting card also need to mark a box beside the resolution to indicate how you wish to cast the open votes (again, for or against). If you wish to abstain you should not complete or lodge your voting paper.

Please ensure that you print your name where indicated and sign the voting paper.

When you have finished filling in your voting paper, please lodge it in a ballot box. Your vote cannot be counted unless it is lodged - this includes any proxyholder who only has directed votes.

If you require any assistance, Computershare staff are here to assist you. Please raise your hand if you require assistance.

*(Pause here whilst voting papers are completed)*

Would you please indicate by raising your hand if you require more time to complete your voting paper?

Thank you. Computershare staff will now collect the voting papers.

*(Pause here while Computershare staff collect voting papers)*

I believe all voting cards have now been collected and I declare the poll closed.

As the resolution is to be decided by a poll, the result of the vote will be announced to the ASX as soon as possible following the conclusion of the meeting.

Ladies and gentlemen, I now close the meeting for all purposes, subject to the conduct and conclusion of the poll. I would like to thank you all for your attendance.

**Close**

## Appendix A – summary of proxy position

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Direction	Number of shares	Percentage	Percentage (%) of total shares
For	91,670,478	99.92	44.77
Against	58,988	0.06	0.03
Open at Proxy's discretion	14,620	0.02	0.01
Abstained	319,843	-	0.16