



ACN 008722 736

Suite 3138, Level 31, 120 Collins Street, Melbourne, Victoria, Australia
Telephone: 61 3 9225 5148, Fax: 61 3 9225 5183

19 September 2012

Dear Shareholder,

NOTICE OF GENERAL MEETING

Please be advised that the General Meeting of Macro Corporation Limited (**Company**) will be held on Friday, 19 October 2012, commencing at 11.00am (AEDT) at the office of HWL Ebsworth, Level 26, 530 Collins Street, Melbourne, Australia.

A copy of the Notice of Meeting and Explanatory Statement together with a proxy form is enclosed.

Yours Faithfully,

A handwritten signature in black ink, appearing to read 'Dr Muhamad Abduh', is written over a horizontal line. The signature is fluid and cursive.

Dr Muhamad Abduh
Chairman and Company Secretary
Email: macro.dsc@gmail.com
Mobile: +61 423 881 181



ACN 008722 736

MACRO CORPORATION LIMITED ACN 008 722 736

Notice Of General Meeting And Explanatory Statement

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR ATTENTION
THE MATTERS RAISED IN THIS DOCUMENT WILL AFFECT YOUR SHAREHOLDING IN THE
COMPANY. YOU ARE ADVISED TO READ THIS DOCUMENT IN ITS ENTIRETY BEFORE THE
GENERAL MEETING REFERRED TO BELOW IS CONVENED.**

**IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT,
PLEASE CONSULT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.**

The extraordinary general meeting will be held:

- at **HWL Ebsworth, Level 26, 530 Collins Street, Melbourne**
- on **Friday, 19 October 2012** commencing at **11.00am (AEDT)**.

You can vote by:

- attending and voting at the meeting; or
- appointing someone as your proxy to attend and vote at the meeting on your behalf, by completing and returning the proxy form to Alliance in the manner set out in section 6(a) of this notice of meeting. The proxy form (and any power of attorney under which it is signed) must be received by no later than 11.00am on **17 October 2012**. Any proxy form received after that time will not be valid for the meeting.

Table of Contents

| | |
|--|-----------|
| A. Important Notice | 1 |
| B. Key Dates | 2 |
| C. Notice of General Meeting | 3 |
| 1. Re-Compliance with Chapters 1 and 2 of the ASX Listing Rules..... | 3 |
| 2. Business of the Meeting..... | 3 |
| 3. Voting Exclusion Statements..... | 4 |
| 4. Voting entitlement..... | 5 |
| 5. How to vote | 5 |
| 6. Voting in person or by attorney..... | 5 |
| 7. Voting by corporate representative..... | 5 |
| 8. Voting by proxy | 5 |
| 9. Other Information | 6 |
| D. Explanatory Statement..... | 7 |
| 1. Overview of Transactions and change of activities | 7 |
| 2. Resolution 1 – Approval of the sale of Ocean Spirit IV | 28 |
| 3. Resolution 2 – Approval of Acquisitions of SJC and PTGS and Change in Nature and Scale of Activities | 30 |
| 4. Resolution 3 – Approval of Share Consolidation | 31 |
| 5. Resolution 4 – Approval of Capital Raising | 34 |
| 6. Resolution 5 – Change of Constitution..... | 36 |
| 7. Resolution 6 – Change of Auditor | 37 |
| 8. Queries | 37 |
| E. Glossary | 38 |
| F. Summary of New Constitution | 40 |
| G. Nomination of Auditor | 44 |

A. Important Notice

Regulatory Information

A copy of this document has been lodged with ASX in accordance with the Listing Rules. Neither ASX nor any of its officers take any responsibility for the contents of this document.

Forward-looking statements

To the extent this document contains statements relating to the future (**Forecasts**), these Forecasts are based on assumptions concerning actual and future events. The Forecasts have been prepared with proper care and attention of all assumptions, when taken as a whole, are considered to be reasonable at the time of preparing the Forecasts, based on present circumstances and market conditions. You should appreciate that many factors which may affect the actual financial performance of the Company are outside the control of the Company or may not be capable of being foreseen or accurately predicted. Accordingly, actual results may vary materially from the Forecasts.

Disclaimer

This document does not take into account investment objectives, financial situations and particular needs of individual Shareholders or any other particular person. If you are in doubt as to what you should do, you should consult your legal, financial or other professional advisor prior to voting.

Other

Unless otherwise specified or implied:

- all references to time in this document are to Australian Eastern Standard Time;
- all financial amount contained in this document are expressed in Australian dollars; and
- defined terms have the meaning given in the Glossary.

B. Key Dates

| Event | Date |
|---|---------------------------------------|
| Dispatch of Notice of General Meeting and Explanatory Statement | Wednesday, 19 September 2012 |
| General Meeting of Shareholders | Friday, 19 October 2012 |
| If Shareholders approve the resolutions at general meeting, the securities of the Company will be suspended from trading on ASX until the Company complies with the requirements of Chapters 1 and 2 of the ASX Listing Rules | Friday, 19 October 2012 |
| Lodgement of Prospectus with ASIC | Monday, 22 October 2012 |
| Closing date of Prospectus | Monday, 12 November 2012 |
| Trading in Company securities reinstated by ASX (subject to ASX satisfaction of Chapters 1 and 2 of the ASX Listing Rules), unconditional entry into the SJC sale agreement and unconditional entry into PTGS Sale Agreement (subject to satisfaction or waiver of other conditions precedents) | Anticipated mid to late November 2012 |
| Completion of the sale of Ocean Spirit IV vessel | On or before 19 January 2013 |

* This timetable is indicative only and subject to change. The Directors reserve the right to amend the timetable. Please note that the proposed consolidation has not been factored into this timetable as it is subject to the Share price being below \$0.20 at close of trade on the last trading day prior to the Meeting.

C. Notice of General Meeting

Notice is given that a General Meeting of
Macro Corporation Limited ACN 008 722 736
(Macro or Company)

will be held at HWL Ebsworth Lawyers, Level 26, 530 Collins Street, Melbourne, Victoria
commencing at 11.00 am (AEDT) on Friday, 19 October 2012
(Meeting)

1. Re-Compliance with Chapters 1 and 2 of the ASX Listing Rules

- 1.1 As announced to the ASX on 12 March 2012 and 17 August 2012, the Company has entered into several agreements to dispose of its remaining tourism asset and acquire interests in Indonesian companies that hold exploration licences for regions in Kalimantan that are anticipated to hold underground coal reserves. These transactions will result in the Company having to re-comply with Chapters 1 and 2 of the ASX Listing Rules pursuant to ASX Listing Rule 11.1.3.

2. Business of the Meeting

Shareholders are invited to consider the following items of business at the Meeting:

2.1 Resolution 1 – Approval of sale of Ocean Spirit IV vessel

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

That, for the purposes of Listing Rule 11.2 and for all other purposes, shareholders approve the sale of the Ocean Spirit IV vessel, in the manner set out in the Explanatory Statement.

(Refer to Sections 1 and 1.13 of the Explanatory Statement for more information.)

2.2 Resolution 2 – Approval of Acquisition of PT. Sarmar Jaya Cemerlang (Indonesia), PT. Gunung Sungkai (Indonesia) and Change in Nature and Scale of Activities

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

That, subject to passing Resolutions 3 to 4, for the purposes of Listing Rule 11.1 and for all other purposes, shareholders approve:

- (a) *the acquisition of up to 100% in the issued capital of PT. Sarmar Jaya Cemerlang (Indonesia) in the manner set out in the Explanatory Statement;*
- (b) *the acquisition of up to 100% in the issued capital of PT. Gunung Sungkai (Indonesia) in the manner set out in the Explanatory Statement; and*
- (c) *the change in nature and scale of the Company's activities to include exploration mining and trading of coal, as described in the Explanatory Statement.*

(Refer to Sections 1 and 3 of the Explanatory Statement for more information.)

2.3 Resolution 3 – Approval of Share Consolidation

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

That, subject to the passing of Resolutions 2 and 4 and for the purposes of section 254H of the Corporations Act 2001, and for all other purposes, if the Company's shares are trading below \$0.20 at close of trade on the last trading day prior to the Meeting, shareholders

*approve the consolidation of every 2 shares on issue into 1 ordinary share, with fractions of a share being rounded up to the nearest whole number (**Consolidation**), with the Consolidation to take effect on the date of the meeting.*

(Refer to Section 4 of the Explanatory Statement for more information.)

Note: If the share price is \$0.20 or greater at close of trade on the last trading day prior to the Meeting, this resolution shall not be put to Shareholders and Resolutions 2 and 4 respectively shall not be dependent on the passing of Resolution 3.

2.4 Resolution 4 – Approval of Capital Raising and Share Issue pursuant to Prospectus

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

***That**, subject to passing Resolutions 2 and 3 and for the purposes of Listing Rule 7.1 and all other purposes, the Directors are authorised to offer, issue and allot, credited as fully paid, a number of ordinary shares in the capital of the Company to such allottees and at such issue price as more particularly described in the Explanatory Statement, which shares will rank equally in all respects with the existing ordinary issued shares of the Company.*

(Refer to Section 5 of the Explanatory Statement for more information.)

2.5 Resolution 5 - Change of Constitution

To consider, and if thought fit, pass the following resolution as a **special resolution**:

*"**That**, for the purposes of section 136(2) of the Corporations Act 2001, the existing constitution of the Company be repealed and replaced with the replacement Constitution tabled at the Meeting and signed by the Chairman for the purpose of identification."*

(Refer to Section 6 of the Explanatory Statement for more information.)

2.6 Resolution 6 – Change of Auditor

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

*"**THAT**, for the purposes of section 327C(1) of the Corporations Act 2001 and all other purposes, ShineWing Hall Chadwick, having been duly nominated by a member of the Company, being qualified to act as auditor of the Company and having consented to act, be appointed as registered auditor of the Company and the directors are authorised to agree the remuneration."*

(Refer to Section 7 of the Explanatory Statement for more information.)

3. Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolutions 1, 2 and 4 by a person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the resolution is passed, and any of that person's associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for an unrelated person who is entitled to vote, in accordance with the direction on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. Voting entitlement

A determination has been made by the board of the Company under regulation 7.11.37 of the *Corporations Regulations 2001* that shares in the Company which are on issue at 7.00pm (AEDT) on **17 October 2012** will be taken to be held by the persons who held them at that time for the purposes of the Meeting (including determining voting entitlements at the meeting).

5. How to vote

Shareholders entitled to vote at the Meeting may vote by attending the Meeting in person, by attorney or proxy or, in the case of corporate shareholders, by a corporate representative.

6. Voting in person or by attorney

Shareholders or their attorneys wishing to vote in person should attend the Meeting. Persons are asked to arrive at least 30 minutes prior to the time the Meeting is to commence, so that their shareholding may be checked against the register and their attendance recorded. Shareholders intending to attend the Meeting by attorney must ensure that they have, not later than 48 hours prior to the time the Meeting is to commence, provided the original or a certified copy of the power of attorney to the Company, in the same manner prescribed below for the giving of proxy forms to the Company.

7. Voting by corporate representative

Corporate shareholders wishing to vote by corporate representative should:

- (a) obtain an appointment of corporate representative form from the Registry;
- (b) complete and sign the form in accordance with the instructions on it; and
- (c) bring the completed and signed form with them to the Meeting.

8. Voting by proxy

- (a) A shareholder entitled to attend and vote at the extraordinary general meeting may appoint one proxy or, if the shareholder is entitled to cast 2 or more votes at the meeting, 2 proxies, to attend and vote instead of the shareholder.
- (b) Where 2 proxies are appointed to attend and vote at the meeting, each proxy may be appointed to represent a specified proportion or number of the shareholder's voting rights at the meeting. If the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, each proxy may exercise half of the votes.
- (c) A proxy need not be a shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the meeting.
- (e) A proxy form accompanies this notice. If a shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form attached to this notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power or authority by **11.00 am (AEDT) on 17 October 2012** at the share registry, as follows:

Macro Corporation Limited

- (i) by post: Computershare Investor Services Pty Limited, GPO Box 242 Melbourne, Victoria 3001, Australia in the reply paid envelope provided;
- (ii) by hand: Macro Corporation Limited c/- Computershare Investor Services Pty Limited, 117 Victoria Street, West End, Queensland 4101;
- (iii) by facsimile: Macro Corporation Limited c/- Computershare Investor Services Pty Limited on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
- (iv) for Custodians: For Intermediary Online subscribers only, please visit www.intermediaryonline.com.

9. Other Information

An Explanatory Statement accompanies and forms part of this Notice of General Meeting.

All Shareholders should read the Explanatory Statement carefully and in its entirety. Shareholders who are in doubt regarding any party of the business of the Meeting should consult their financial or legal adviser for assistance.

Defined terms in this Notice of General Meeting have the meaning given to them in the Explanatory Statement.

Dated 19 September 2012

By Order of the Board

Dr Muhamad Abduh
Chairman and Company Secretary

D. Explanatory Statement

This Explanatory Statement has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the General Meeting of the Company. Amongst other things, this Explanatory Statement provides Shareholders with the information required to be provided to Shareholders by the Corporations Act and the Listing Rules.

1. Overview of Transactions and change of activities

1.1 Background

The Company was incorporated on 27 June 1969 in Western Australia and was admitted to the official list of the ASX on 6 August 1990 (ASX Code: MAC).

The recent past business of the Company and its subsidiaries was concerned with the leisure and tourism industry. The principal activities of the business were the provision of cruises boats and diving activities. However, in August 2011, the Company announced its decision to make a clean break from the tourism industry and become a mining and resources company with a business of exploration, extraction, production and trading of coal. At general meeting held on 28 September 2011, Shareholder approved the sale of the Company's Ocean Spirit tourism business including the vessels Ocean Spirit, Ocean Spirit III and Sub Sea XIII.

On 12 March 2012, the Company announced that it had entered into an agreement to sell the remaining asset from its Ocean Spirit business, being the Ocean Spirit IV (subject to Shareholder approval) and that its wholly owned subsidiary, Macro Resources, had entered into an agreement to acquire up to 100% of PT. Sarmar Jaya Cemerlang (**SJC**), a company holding rights to a coal deposit in Central Kalimantan, Indonesia (also subject to Shareholder approval).

Due to internal issues resulting in recent changes to the board and management, the process of seeking Shareholder approval for the above has been unfortunately delayed. As a result of the delay, however, the Company has taken the opportunity to explore and now enter into an agreement to acquire up to 100% of PT. Gunung Sungkai (**PTGS**) and is able to include this acquisition as part of the shareholder approval process, which represents a greater opportunity for maximizing shareholder value moving forward. On 17 August 2012, the Company announced that it had entered into the PTGS Agreement (subject to Shareholder approval and other conditions precedent).

The Resolutions proposed in the Notice are designed to seek Shareholder approval for all matters necessary for the Company to move from the tourism industry and become a mining and resources company. In particular:

- (a) the sale of the Ocean Spirit IV vessel is sought under Resolution 1;
- (b) the acquisition of up to 100% of SJC and PTGS respectively and the associated change in nature and scale of the Company's business as a result of these acquisitions under Resolution 2;
- (c) the potential consolidation of the Company's share capital to comply with the requirements of Chapters 1 and 2 of ASX Listing Rule under Resolution 3;
- (d) the issue and allotment of 5,000,000 Shares pursuant to a public offer to raise capital to assist with working capital requirements as well as compliance with the requirements of Chapters 1 and 2 of ASX Listing Rule under Resolution 4; and
- (e) the adoption of a new constitution for the Company under Resolution 5.

Resolution 6 is being proposed to appoint a new auditor to fill a vacancy created by the anticipated resignation of BDO Nth Qld, the Company's existing auditor, primarily due to the relocation of the Company's operations and principal place of business from Cairns to Melbourne, making it impractical for BDO Nth Qld to continue in that capacity.

1.2 Past business and divestment of remaining assets

The Company has announced the divestment of its tourism business and assets except for the Vessel on 30 August 2011. Shareholders subsequently approved the divestment at general meeting on 28 September 2011. The Notice of Meeting for that general meeting contained significant information on the benefits and risks from the Company's proposed move out of the tourism sector under the sale. There is still a sum of approximately \$180,000 from the sale due to be collected by the Company on the finalisation of post-completion adjustment accounts, anticipated to be finalised in the coming weeks.

On 3 March 2012, the Company's wholly owned subsidiary, OS Cairns Pty Ltd (**Seller**) entered into a conditional Asset Sale and Purchase Agreement (**OSIV Agreement**) to sell the Vessel to PT Titian Antar Pulau (**Buyer**) for a total cash payment of AUD\$3,650,000. The OSIV Agreement is subject to shareholder approval at the Meeting under Resolution 1. Please refer to section 1.13 below for further details on this Resolution.

1.3 Overview of the SJC Acquisition

On 12 March 2012 the Board announced that Macro Resources entered into a conditional sale and purchase agreement with the majority shareholder of SJC to acquire 70% of their shares in SJC in consideration for cash payments and royalty payment against future coal export income. The SJC Agreement includes an option for Macro Resources to purchase the remaining 30% of SJC shares. SJC hold the rights to a coal deposit in Central Kalimantan, Indonesia.

(a) Key terms of the SJC Agreement

The seller under the SJC Agreement is the current 90% majority shareholder of SJC. Macro Resources has entered the SJC Agreement as buyer. Macro Resources is to initially acquire 70% of the share capital in SJC and has an irrevocable option to purchase the remaining 30%. The seller will procure the remaining 10% shareholder to sell its interests in this event.

Under the terms of the PTSG Agreement, the total purchase consideration of US\$18,500,000 will be paid by way of three components:

- (i) For the first 70% interest in SJC:
 - (A) Several cash payments amounting to US\$2 million made in accordance with respective mining approvals required to start production and export of coal; and
 - (B) Royalty payments in instalments will be made upon production and export when the mine comes into production totalling US\$5.8 million; and
- (ii) US\$10.7 million for the remaining 30% interest in SJC (at Macro Resources irrevocable option) for a consideration of on payments terms and conditions to be mutually agreed upon completion of the 70% acquisition.

Details on the cash component in paragraph 1.3(a)(i) above are as follows:

- US\$50,000 Upon signing of the SPA and is irrevocable option monies (13 February 2012);

- US\$75,000 Upon SJC obtaining and Exploration KP on or after 1 February 2012;
- US\$500,000 Upon SJC obtaining an Exploration Permit known as the Explorasi Izin Usaha Pertambangan (IUP) on or after 1 March 2012;
- US\$475,000 Upon SJC obtaining an Exploitation Permit known as the Eksploitasi IUP on or after 1 May 2012;
- US\$300,000 Upon SJC obtaining a Forest Use Permit known as the Izin Pakai Kehutanan on or after 1 July 2012
- US\$400,000 Upon SJC obtaining a Central Sale Permit known as the Izin Penjualan Dari Pusat on or after 1 August 2012;
- US\$200,000 Upon SJC obtaining a Sea Transportation Permit known as the Izin Pengangkutan Perhubungan Laut on or after 1 September 2012.

Upon the mine coming into production, the remaining US\$5.8 million royalty component will be paid based on a calculation of US\$2.50 per tonne for every 100,000 tonnes of coal exported.

(b) Overview of the SJC coal project

SJC has exploration rights for underground coal deposits covered by a Kuasa Pertambangan (**KP**) (granted on 30 October 2004) in Central Kalimantan, Indonesia, spanning an area of approximately 10,000 hectares. It is located less than 100 kilometres from PT Adara Energy's coal deposit located on the North-Eastern border of the Barito Basin which occupies the province of Central Kalimantan. PT Adara Energy is currently the second largest thermal coal producer in Indonesia.

SJC has confirmed that the loading jetty for the exploration area is located near the loading jetty utilised by PT Adara Energy.

The Company engaged PT. SRK Consulting Indonesia (**SRK**), an independent, Australian based international consulting company to provide focused advice. SRK have conducted a preliminary desktop survey of the exploration area. The following is a summary of its preliminary findings from a desktop study that has been conducted in April 2012.

1. General Information

1.1 Concession Point

SJC claims a 10,000 ha area located in Kandui Area, Figure 1 -1. SJC's tenement is located in two regencies which are Barito Utara Regency in the north part, and Barito Timur Regency in the southern part. Almost 60% of the concession is located in the Barito Utara Regency.

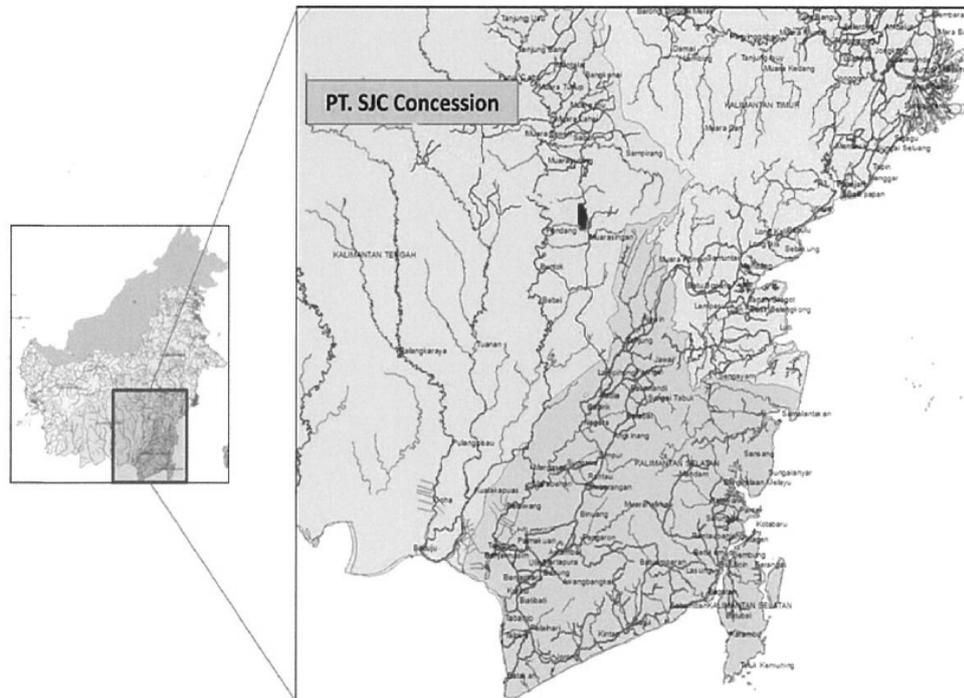


Figure 1-1: SJC Concession Location

1.2 Concession Permit

Based on the report that SRK received, the SJC concession stage is SKIP with SKIP number: 540/18702/DISTAM. Usually a SKIP license lasts only for maximum 6 month and SRK were concerned that the legal title of SJC may not be currently valid.

However, SJC has submitted the following documents to SRK showing that efforts are being made to restore the concession:

- Decree from Bupati South Barito No. 302 of 2004, dated October 30th 2004, regarding the grant of KP Exploration license in the name of PT. SJC with attachment of The List Coordinates and Images of Mining Area Map of 10,000 Ha. (Expired in 2006);
- Government Regulations Mandate Number 23 of 2010, dated February 1st 2010 and UU No. 4 of 2009 on Mineral and Coal Mining; and
- The issuance letter of Director General of Mineral and Coal, Ministry ESDM No. 4030/30/DBM/2010, dated November 30th 2010, with attachment of The List Coordinates and Images of Mining Area Map of 10.000 Ha.

The Company has received a legal opinion from a local Indonesian law firm, Bras, Gans & Partners, confirming that SJC has obtained the KP and that pursuant to a letter from the Director General of Mineral and Coal of the Ministry of Energy and Mineral Resources No. 4030 / 30 / DBM / 2010, the KP has changed to a Exploration Mining Business Licence and is valid and subsisting.

SRK plotted the concession coordinates in to Indonesia Concession database (Figure 1-2). SRK found that SJC Concession overlapped with PT. Citra Surya Makmur Concession in the north part and PT. Gala Karya Sentosa in the south part.

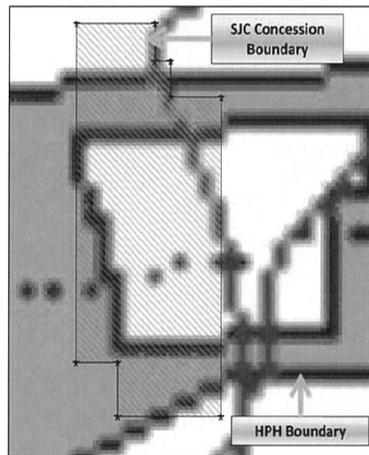


Figure 1-4: SJC Concession Vs Production Forest

1.5 General Logistic Condition

To deliver the coal into selling point SJC would need to transport the coal over land and water. First of all the coal need to deliver first to port site in Barito River, the estimated hauling road route is about 50 km from the centre of the concession to Pendang Port at Barito River.

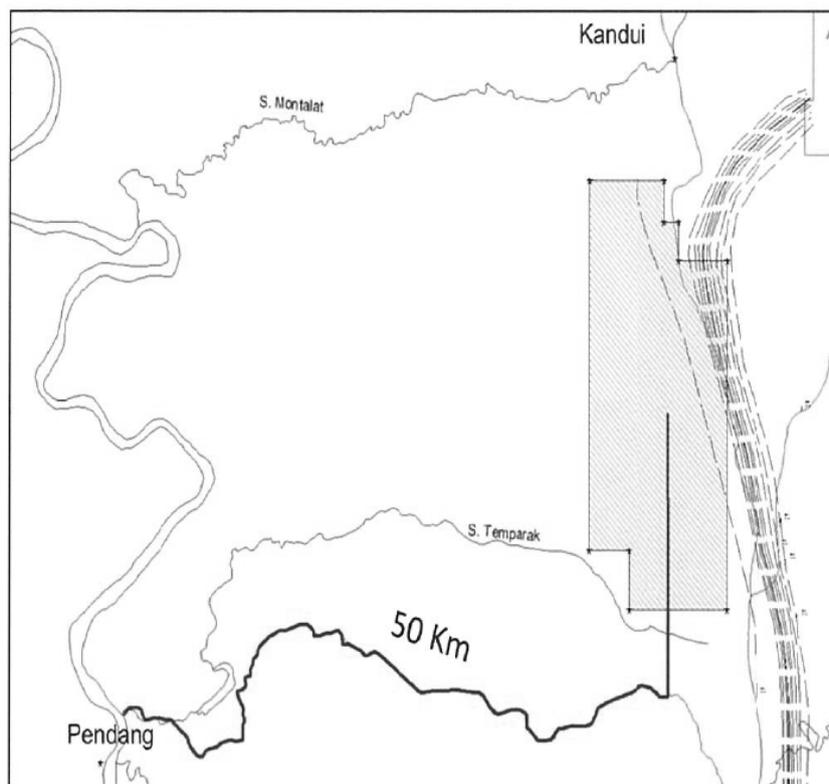


Figure 1-5: Hauling Road Route from SJC concession to Pendang area (Barito River)

From Pendang Area, the coal usually will be transferred to a barge, then through Barito River the coal transported to the Transshipment Point in Taboneo Area, it is estimated the barge needs to travel at least 380 km from Pendang to Taboneo. The other issue is the water level. The Barito River Water Level especially north of Buntok has very low water level during the dry season. It been reported that in the Pendang area the bargeable water level is only about 8-10 month per year. There may be a no-shipping period for delivering the coal to transshipment point.

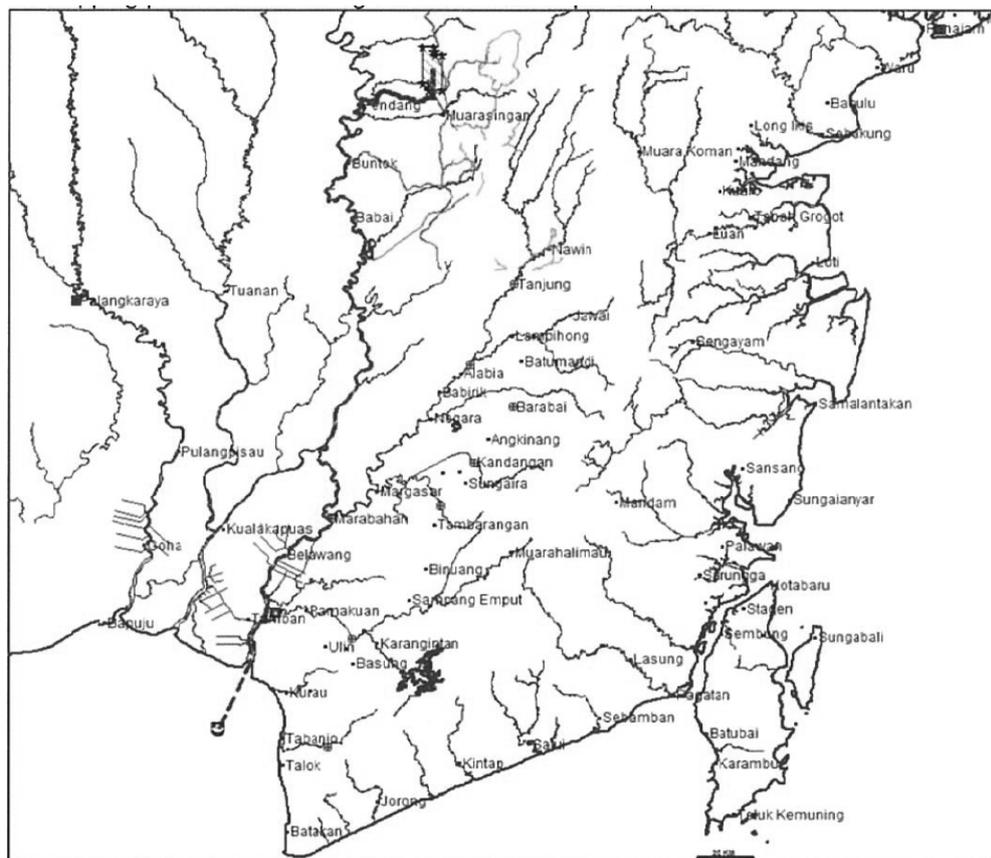


Figure 1-6: Barging Route from Pandang to Taboneo

2. Region Geology

Based on geology regional Map, the SJC concession overlaps with Montalat and Warukin Formations. Almost 90% is located in Warukin Formation and 10% located in Montalat formation. Warukin and Montalat Formation are coal bearing formations.

Montalat Formation

This formation distributed in center to northern part of Barito Basin, Typically Medium to High Rank coal with range Calorific Value Range from 5500-6500 Kcal/Kg (adb). In general the Montalat formation has a low sulphur content (<1%) but in minor cases in some area the sulphur content can raise up to 3%. In general condition Montalat formation containing 4-10 coal seam, with thickness ranging 0.3 -3 m.

Warukin Formation

Warukin Formation is typical of Lignite to Sub Bituminous Coal Formation. This formation well distributed in South, Centre and North part of Barito basin. Typically low rank coal formation with Calorific Value range from 4000 - 5500 Kcal/Kg (adb), in many actual mines this formation consistently showing low sulphur content (<1%), Low Ash content (<5%). The total moisture of this formation is relatively high ranging from 30-45%. Coal sequence in this formation can be separated into two groups, which are the Lower Warukin Group and the Upper Warukin Group. The Lower Warukin Group showing better calorific value range 5000-5500 Kcal/Kg (adb) and the upper Warukin group containing calorific value less than 5000 Kcal/Kg (adb).

In general condition the Lower group of Warukin formation contain 5-10 coal seam, with thickness ranging 0.3 -3 m. and the upper group of Warukin formation contain 8-20 coal seam, with thickness ranging 0.5 - 30 m

3. Exploration History

Regarding the exploration history in the SJC concession, SRK has received 2 reports.

Report 1

The first report is titled "Geological Survey reports PT. SARMAR JAYA CEMARLANG", dated 24th June 2004.

In the report, SRK has found that:

- SJC is SKIP Stage of concession with SKIP number: 540/18702/D1STAM.
- The SKIP was issued at 30 October 2004 by Barito Selatan Regency Head.
- The exploration activity in this concession is only general survey.
- In the general survey activities it is found 6 outcrop, in the report it is clearly explain the outcrop coordinates, the strike dip of the coal seam and the thickness of the coal seam.
- Strike of the coal seam are ranging from N 181° E to N 195° E with dip 8° to 21⁰, with thick of coal ranging 0.6 up to 2.3 m
- There are also 3 report of coal quality analysis undertaken by PT. Sucofindo coal laboratory, the result are:

| Result | TM (%) | IM (%) | Ash (%) | Vm (%) | Fc (%) | Ts (%) | CV (Kcal/Kg) (adb) | HGI |
|-------------------------|--------|--------|---------|--------|--------|--------|--------------------|-----|
| Result 1 (No : 185744) | 47.1 | 13.9 | 4 | 43.6 | 38,5 | 0.13 | 5355 | |
| Result 2 (No : 0185745) | 29.4 | 12 | 4.2 | 44,3 | 39,5 | 0.28 | 6026 | |
| Result 3 (No : 3500279) | 20 | 17 | 1,8 | 41.6 | 43,4 | 0.7 | 6528 | 47 |

- In the summary section of the report it is recommend that to apply for the concession to the east of the existing concession position.

Report 2

The Second report is titled "Executive summary Potensi Batubara di KP Eksplorasi milik PT. Samar Jaya Cemerlang", is dated at 1993 and undertaken by Direktorat Sumber Daya Mineral, Bandung.

Regarding the exploration data history, SRK found that:

- The exploration activities that explain in that report are only general survey.
- There are 38 outcrop found in three block in the general survey activity with coal thickness ranging 0.8 up to 6 m. No outcrop coordinates are in the report, therefore SRK has not been able to plot any data.

Based on coal quality characteristic the coal in this general survey area can be grouped in to two groups, the low rank coal with CV range 5100-5300 Kcal/Kg (adb), and the high rank group with CV range from 6000-7700 Kcal/Kg (adb). In general the coal quality grouping was mostly driven by the formation position, the outcrop located in Warukin formation will show low CV, and the outcrop in Montalat formation will show relatively high CV.

4. Exploratory Data Analysis

To quantify a potential tonnage of one target area especially in the preliminary exploration stages, it is common to produce an Exploration Target Tonnage Calculation.

Knowing that the data availability for this concession is minimal, SRK tried to do some cropline interpretation from other concessions near the SJC Concession.

The data used for this calculation were:

- Existing outcrop (six outcrop with coordinates, strike dip and coal thickness)
- Other concessions nearby outcrop/cropline data
- Formation Distribution, from public geology maps

From plotting of six outcrops from the existing report, SRK found that none of this outcrop is located in the concession, all of the outcrop located in the east side of the concession. From six outcrops SRK found that 5 of the outcrops is located in the Montalat formation and 1 of the outcrops is located in Warukin formation.

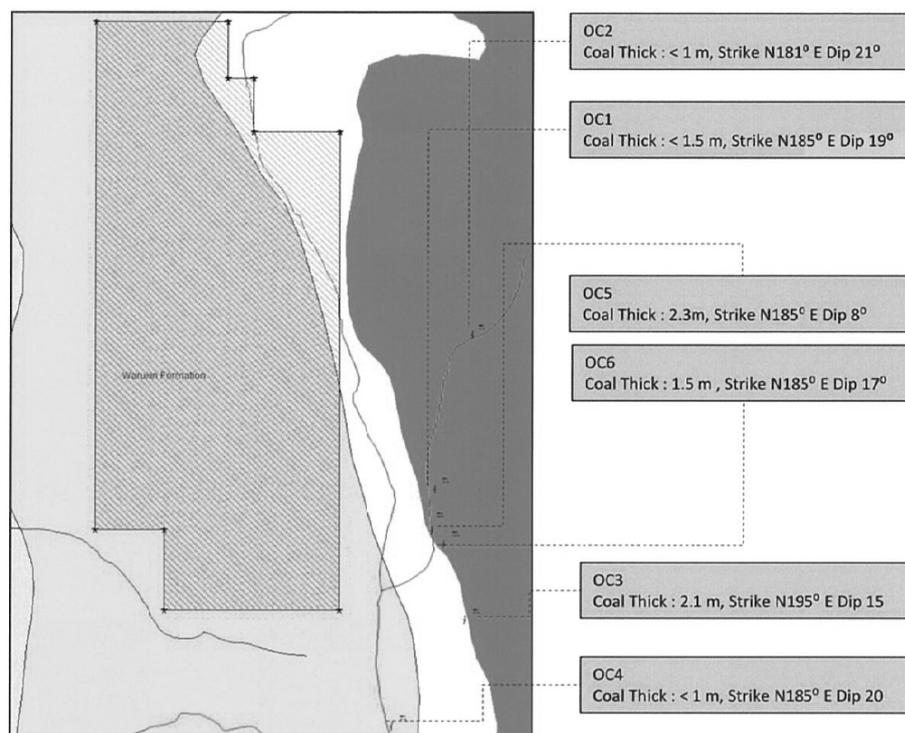


Figure 4-1: Outcrop Found Near the Concession

From private databases SRK found that there are two nearest SJC concessions that have data availability. The first is located 10 km north east of the SJC concession and the second is located 15 km south of the SJC concession.

SRK has done a hypothetical coal cropline interpretation. Based on that, SRK found that:

- SJC is located in Montalat and Warukin formations, see Figure 4-1;
- From the coal seam cropline interpretation SRK found that at least 10 known coal seams could potentially be found in SJC concession, 9 coal seam located in Montalat formation and 1 coal seam located in Warukin formation; and
- Most of data is located in east part of SJC concession, SRK did not find any data in the west part of the concession.

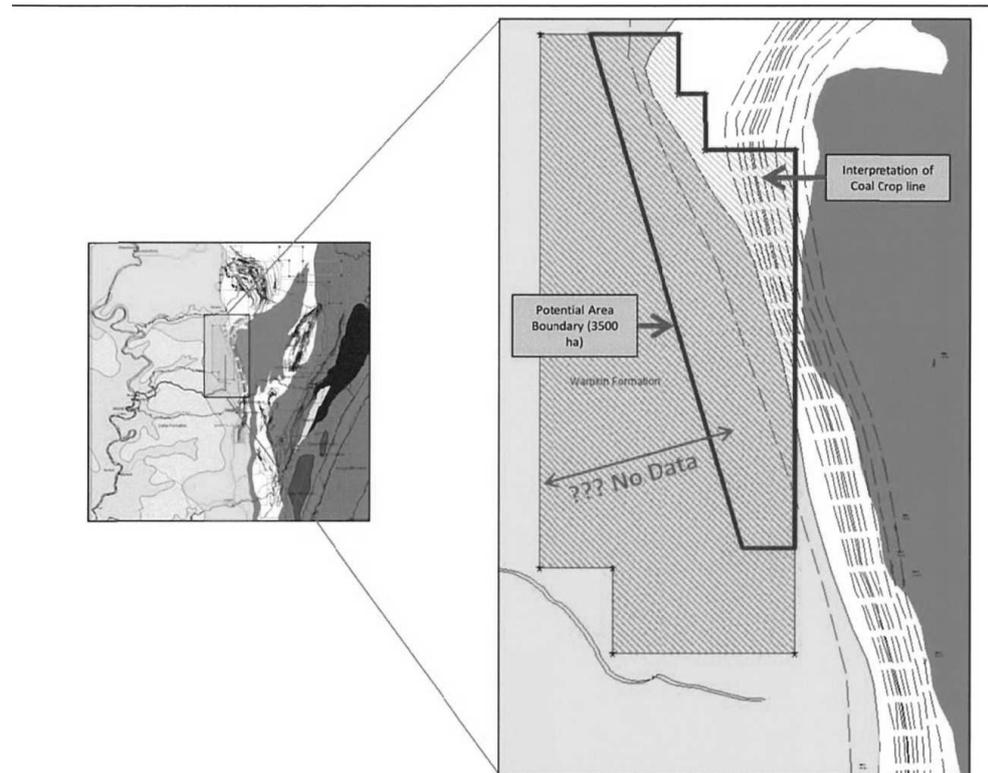


Figure 4-2: Hypothetical Coal Cropline Interpretation in SJC concession

SRK has opined that there is currently insufficient exploration data from the SJC concession to know the grade (coal quality) and quantity and geological characteristics and continuity of the coal with any level of confidence to classify the resources as inferred, indicated and measured.

SRK has recommended that SJC carry out a general survey/field checking to determine if there is evidence of coal outcrops in the SJC concession. This work has not been commenced and will not be commenced until after Shareholder approval of the Resolutions has been received at the Meeting.

(c) **Competent Person Information**

The information in this Notice that relates to the exploration results, mineral reserves or ore reserves in the SJC exploration area is based on information compiled by Mr Muhammad Rizki, who is a member of a recognised overseas professional organisation. Mr Rizki is employed by SRK and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity

he is undertaking to qualify as a Competent Person as defined in the JORC Code. Mr Rizki consents to the inclusion in this Notice of the matters based on his information in the form and content in which it appears.

1.4 Overview of the PTGS Acquisition

The Company announced on 17 August 2012 that Macro Resources had entered into a conditional sale and purchase agreement for the acquisition of another Indonesian company, PTGS that holds rights to a coal deposit in Kalimantan, in consideration for cash payments of US\$3 million and royalty payment of US\$3.1 million against future coal export income.

(a) Key terms of the PTGS Agreement

The sellers under the PTGS Agreement are the current shareholders of PTGS. Macro Resources has entered the PTGS Agreement as buyer.

Under the terms of the PTSG Agreement, the total purchase consideration of US\$6.1million will be paid by way of three components:

For the first 70% interest in PTGS:

- (i) several cash payments amounting to US\$600,000 based on milestones in accordance with an agreed payment schedule in the PTGS Agreement which includes obtaining mining approvals, production and export of coal; and
- (ii) royalty payments of up to US\$2.4million in installments made upon production and export of coal of up to 950,000 tonnes; and
- (iii) for the remaining 30% interest in PTGS for a consideration of US\$3,100,000 on payments terms to be mutually agreed.

Details on the cash component in paragraph 1.4(a)(i) above are as follows:

- US\$10,000 Upon signing of the PTGS Agreement;
- US\$50,000 Upon satisfactory completion of Technical and Legal Due Diligence by MRPL (anticipated around November 2012);
- US\$100,000 Upon approval of Environmental Impact Assessment (“AMDAL”) by the local government (anticipated around December 2012);
- US\$200,000 upon obtaining Production Operation Izin Usaha Pertambangan or Production and Operation (“IUP”) at which time, the sellers will transfer 70% of the shares in PTGS to MRPL (anticipated around January 2013); and
- US\$240,000 upon obtaining Special IUP (“Export Licence”) issued by the Minister of Energy and Mineral Resources (Menteri Energi dan Sumber Daya Mineral) (anticipated around February 2013).

The remaining US\$2,400,000 royalty component will be paid based on the exported tonnage as follows:

- \$2 per tonne for the first 300,000tonnes (\$600,000);
- \$4 per tonne for the next 150,000tonnes (\$600,000);
- \$2 per tonne for the next 100,000 tonnes (\$200,000); and
- \$2.50 per tonne for the next 400,000 tonnes (\$1,000,000)

The PTGS Agreement is conditional upon the following:

- (i) approval by the Company's shareholders at general meeting and the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules;
- (ii) Macro Resources conducting financial, legal and technical/geological due diligence to its satisfaction within 3 months; and
- (iii) satisfactory assessment of the coal reserves and analysis of test results to ensure they are viable and feasible to process to production at an international standard generally applicable to the implementation of coal mining projects.

The PTGS Acquisition will be funded by the Company's cash reserves from the previous sale of the tourism business assets and impending Vessel Disposal and the Capital Raising. No securities are to be issued to the sellers under the terms of the PTGS Agreement.

The sellers warrant to Macro Resources that PTGS has a Mining License (IUP Exploration) Number 540/K596/2008 and other licences which gives PTGS further exploration rights are valid as at the date of the PTGS Agreement.

(b) Overview of the PTGS coal project

PTGS hold exploration rights to for an area of 5,000 hectares in Malinau Selatan, South Kalimantan, Indonesia pursuant to IUP Eksplorasi number 540/K.596/2008. It is anticipated that the area the subject of the exploration rights has significant underground coal deposits.

The Company is in the final stages of negotiation to engage SRK to provide focused advice to make an estimate of the target quantity and quality of the coal deposits and prepare a preliminary cost and pricing model for the coal. SRK will also review previous exploration data to form a view on the resource potential and determine what additional work may be required to release a JORC compliant resource estimate, which the Company will decide in due course. If the prospect appears attractive, SRK will prepare a schedule and budget for the next phase.

At this stage, the Company is not able to provide any further details regarding the quantity and quality of the coal deposits in the PTGS exploration area.

1.5 Proposed assignment of SJC Agreement and PTGS Agreement

Macro Resources is currently in the process of incorporating a Foreign Direct Investment company in Indonesia to be known as PT. Macro Indo Resources as a subsidiary. It is proposed that Macro Resources will assign its rights under the SJC Agreement and the PTGS Agreement to this new subsidiary. The Board expects the formation of the subsidiary to be completed within 30 to 45 days and assignment of the agreements to occur shortly thereafter.

1.6 Recent changes to the board

In conjunction with the proposed change of business, the Company considered strengthening the Board with necessary experts. On 22 June 2012, the Company announced the appointment of new directors as follows:

- (a) Dr Muhamad Abduh as Executive Chairman and Company Secretary;
- (b) Mr Nasrizal as Executive Director;
- (c) Dr Brian Roy Senior as Independent and Non-executive Director; and
- (d) Mr Muhammed Nizer Abdullah as Independent and Non Executive Director.

These are the only Directors of the Company at the date of the Notice and their appointment has been subsequently approved by Shareholders that the Company's Annual General Meeting held on 23 July 2012. The Company now has a board that boasts relevant experience in the resources sector and positions it well for the proposed change of activities into coal exploration and mining.

1.7 Future business strategy

The company has two main short to medium term business strategies as follows:

- (a) Trading coal in order to maintain cash flow; and
- (b) Mining of the coal by adopting sub-out production to other company based on royalty basis and profit sharing

The long term strategy of the Company is to become a leading coal resource company by adopting a holistic approach to enhance the sustainability and growth of its business. The strategy includes the acquisition of more coal mines to boost its resource base and to partner with contractors and end buyers for long term collaboration and supply and off-take agreements. The Company may consider additional capital raisings, joint ventures or partnerships to facilitate the move toward a comprehensive coal exploration, mining and development company.

1.8 Pro-forma capital structure

Neither the SJC Acquisition nor the PTGS Acquisition have any effect on the capital structure of the Company as it is to be funded by cash. The capital structure can be summarized as follows:

| | No of Shares | % |
|--|-------------------|------------|
| Existing Shares | 92,174,634 | 100 |
| Share to be issued to SJC and PTGS vendors | 0 | 0 |
| Total | 92,174,634 | 100 |

The Company is fully equity funded and has no debt. The company has no intention to enter into financing arrangements until the cash flows of the company are stable and it is deemed cost effective to move towards a more optimal capital structure to leverage returns and create shareholder value.

1.9 Financial impact of the Transactions

A pro-forma balance sheet showing the effect of the Transactions on the Company as if the Transactions had occurred on 1 January 2012.

Macro Corporation Limited

| | As at 31 Dec 2011 | Pro forma after Vessel Disposal As at 1Jan 2012 | Pro forma after Vessel Disposal and SJC Acquisition* As at 1Jan 2012 | Pro forma after Vessel Disposal, SJC Acquisition and PTGS Acquisition As at 1Jan 2012 |
|---------------------------------|----------------------|---|--|---|
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | 443,991 | 4,093,991 | 2,207,193 | 1,641,153 |
| Trade and other receivables | 66,023 | 66,023 | 66,023 | 66,023 |
| Assets held for Sale | 2,241,874 | - | - | - |
| Other current assets | 172,093 | 172,093 | 172,093 | 172,093 |
| TOTAL CURRENT ASSETS | 2,923,981 | 4,332,107 | 2,445,307 | 1,879,269 |
| TOTAL NON-CURRENT ASSETS | 94,369 | 94,369 | 1,981,169 | 2,547,207 |
| TOTAL ASSETS | 3,018,350 | 4,426,476 | 4,426,476 | 4,426,476 |
| TOTAL LIABILITIES | 678,466 | 678,466 | 678,466 | 678,466 |
| NET ASSETS | 2,339,884 | 3,748,010 | 3,748,010 | 3,748,010 |
| Equity | | | | |
| Contributed equity | 13,919,243 | 13,919,243 | 13,919,243 | 13,919,243 |
| Accumulated Losses | (11,579,359) | (10,171,233) | (10,171,233) | (10,171,233) |
| Total Equity | 2,339,884 | 3,748,010 | 3,748,010 | 3,748,010 |

Notes:

*Effect of the acquisition of SJC announced previously on 12 March 2012 adjusted for audited balance sheet as at 31 Dec 2011.

Effect of acquisition of PTGS assumes all cash payments up to completion of acquisition of 70% stake and does not include royalty payments based on exported tonnage.

Assumes USD1.06 / AUD1.

The Company draws Shareholders' attention to the fact that the balance sheet above only illustrates expenditure arising from the transactions that are the subject of the Resolutions. The balance sheet does not include expenditure of the Company's current development activities and other working capital requirements.

1.10 Advantages of the Transactions

The Board has previously advised Shareholders that it wishes to remain listed on the ASX. Given it has disposed of its Ocean Spirit tourism business, in order to remain listed, the Company must have a viable business.

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

- (a) the coal exploration activities from the SJC Acquisition and PTGS Acquisition represent a significant opportunity for the Company to establish itself as a coal mining entity and, subject to Shareholder approval and compliance with Chapters 1 and 2 of the ASX Listing Rules, remain listed on the ASX as well as increase its scale of activities which should increase the number and size of the investor pool that may invest in the Company's Shares;
- (b) should the Company be successful with its exploration there is an opportunity to build substantial value for Shareholders;
- (c) the recent changes to the Board provide an experienced set of skills to guide the growth of the Company in the mining industry;
- (d) other than under the Capital Raising, there is no dilutive effect of the holdings of existing Shareholders; and
- (e) the Company will also continue to assess a range of potential coal assets in Indonesia and internationally for potential acquisition or joint venture, with a view to increasing the number of projects held by the Company.

The Board also notes the following. The importance of coal as a source of generating power has increased over time with the rise in industrialization. Coal as a major source of fuel for power generation dominates the Utility industry. Coal is used to generate about half of the electricity consumed in the U.S. and is also the largest domestically-produced source of energy. Electricity generation absorbs about 93% of total U.S. coal consumption. The reason is simple: coal is by far the least expensive and most abundant fossil fuel in the country.

Coal will continue to dominate as the major source of electricity production. In contrast, petroleum and nuclear power as sources of power generation have been losing market share displaced by the strong growth of renewable sources of generation and natural gas-fired generation. Petroleum is losing out to coal because it is becoming increasingly expensive. After the Japan earthquake/tsunami incident in 2011, nuclear power's contribution to the total energy generation has declined from the prior year.

Electricity generation is just one use of coal in the U.S. Manufacturing plants and industries use coal to make chemicals, cement, paper, ceramics and metal products, to name a few. Methanol and ethylene, which can be made from coal gas, are used to make products such as plastics, medicines, fertilizers and tar.

Certain industries consume large amounts of coal. For example, concrete and paper companies burn coal, and the steel industry uses coke and coal by-products to make steel for bridges, buildings and automobiles.

According to an Energy Information Administration (**EIA**) report, U.S. coal exports in 2011 were 107 million short tons (MMst), which reflected growth of 31% year over year. Flooding in Australian mines during 2011 disrupted coal exports, which benefited US producers. The upsurge in coal exports during 2011 mainly emanated from demand from Asian countries. As per the EIA report, with Australian mines back in operation, U.S. coal exports are expected to decline to 100 MMst in 2012.

The increase in coal demand in Asian economies like China and India has been a key price driver since the end of the recession in 2009. This trend is expected to continue in future mainly due to the growing energy needs in India, China and South Korea.

Of the Asian countries, economic growth in China and India is likely to be the fastest. These two countries do produce coal, but its domestic coal production has yet to match the growing demand, resulting in the continuous need of importing coal. These countries rely heavily on coal for electricity generation.

A major portion of the new electricity generation units, which are expected to come up in these two countries, will utilize coal as a source of fuel. As per *The Economic Times*, it is projected that coal imports will touch 1 billion tons in China in 2030 from the present level of 175 million tons in 2011. Indian imports for coal are expected to reach 400 million tons in 2030, up from 80 million tons in 2011. By changing the nature of business to the coal industry, this Company contributes into the fulfilment of energy which increases overtime by adopting an integrated strategy to become a growing and sustainable energy business.

1.11 Disadvantages of the Transactions

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

- (a) the SJC Acquisition and PTGS Acquisition will result in the Company spending significant cash acquired from the disposal of the previous Ocean Spirit business, the impending Vessel Disposal and the Capital Raising;
- (b) the Company will be changing the nature of its activities to include becoming a company focused on coal exploration activities, which may not be consistent with the objectives of all Shareholders;
- (c) a significant future outlay of funds will be required which will increase funding pressure on the Company in order to continue exploration of the projects;
- (d) under the Capital Raising, current Shareholders will have their interests in the Company diluted by the Public Offer and may have their interests in the Company diluted by the Rights Issue (if they do not take up their entitlements);
- (e) the SJC and PTGS projects may not turn out to be commercially viable and thus losses may be incurred. In general terms, investments in listed exploration companies are high risk and for those Shareholders who consider that the proposed Transactions are a risk worth taking, then the proposed Transactions may be reasonable;
- (f) the SJC and PTGS projects are at very early stages of exploration and there is no guarantee that exploration will result in the discovery of feasible coal resources (noting that the PTGS Agreement is conditional on satisfactory assessment of the coal reserves by Macro Resources and analysis of test results to ensure they are viable and feasible to process to production at an international standard generally applicable to the implementation of coal mining projects); and
- (g) there are many risk factors associated with the change in nature of the Company's activities, described in detail below.

1.12 Risks

Shareholders should be aware that if the proposed Transactions are approved, the Company will be subject to various risk factors. Based on the information available, a list of the identified major risk factors is set out below. The list is not exhaustive.

Risks relating to the change in nature and scale of activities

(a) Re-Quotation of Shares on ASX

The SJC Acquisition and PTGS Acquisition constitute a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX.

There is a risk that the Company may not be able to meet the requirements of the

ASX for re-quotations of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.

Risks associated with the Project

(b) Counterparty and contractual risk

Pursuant to the SJC Acquisition (summarised above) the Company has agreed to acquire 70% of SJC subject to the fulfilment of certain conditions precedent. Upon settlement of the SJC Acquisition, the Company will be required to procure the shareholders of SJC to fulfil their obligations under the SJC Agreement, in order for Macro Resources to exercise the option to acquire the final 30% interest in SJC.

Pursuant to the PTGS Acquisition (summarised above) the Company has agreed to acquire 70% of PTGS subject to the fulfilment of certain conditions precedent. Upon settlement of the PTGS Acquisition, the Company will be required to procure the shareholders of PTGS to fulfil their obligations under the PTGS Agreement, in order for Macro Resources to exercise the option to acquire the final 30% interest in PTGS.

The ability of the Company to achieve its stated objectives will depend on the performance by the shareholders of SJC and PTGS respectively of their obligations under each Transaction agreement. If any counterparty defaults in the performance of its obligations, it may be necessary for Macro Resources to approach a court to seek a legal remedy, which can be costly.

(c) General Project risks

The Project is located in Indonesia. The Company will be subject to the risks associated with operating in Indonesia. Such risks can include economic instability or change, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations.

Changes to Indonesian mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability.

(d) Exploration and development risks

The business of coal exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) access to infrastructure;
- (v) securing and maintaining title to interests;
- (vi) obtaining consents and approvals necessary for the conduct of coal exploration, development and production; and

- (vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities. Factors including costs and reliability and commodity prices affect successful project development and operations.

Mining activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown and environmental hazards such as accidental spills or leakages, or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of coal. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

(d) Resource and reserve estimates

Future resource estimates will be expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans that may, in turn, adversely affect the projects' operations.

Risks relating to the Company's operations

(e) Lack of executive management

The Company's management currently consists of two (2) executive directors and a general manager. There is a risk that the Company may not be able to secure personnel with the relevant experience at the appropriate time which may impact on the Company's ability to complete all of its preferred exploration programmes within its preferred timetable.

(f) Future capital requirements

Significant future funding will be required by the Company to develop its projects. There can be no assurance that such funding will be available on satisfactory terms or at all. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration program as the case may be, which may adversely affect the business and financial condition of the

Company and its performance.

(g) Operating risks

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors.

The projects will be subject to climatic conditions which restrict the period within which exploration; appraisal and possibly production activities may take place and may also place Company personnel at risk if exposed to these conditions.

A summary of factors that may affect the operations of the Company, include:

- (i) geological conditions;
- (ii) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- (iii) mechanical failure of operating plant and equipment, industrial and environmental accidents, acts of terrorism or political or civil unrest and other force majeure events;
- (iv) industrial action, disputation or disruptions;
- (v) unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations;
- (vi) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
- (vii) prevention or restriction of access by reason of political unrest, outbreak of hostilities, and inability to obtain consents or approvals;
- (viii) current exploration operations and future mine development of the tenements are subject to the Company's ability to obtain a wide range of permits, licences, and approvals and there is no guarantee that such permits, licences and approvals will be granted or will be granted in a timely matter; and
- (ix) advancement of the exploration operations to mine development can be a lengthy process taking a number of years where the Company's projects may be subject to new laws, regulations, and taxes which may have a material impact on the Company.

(h) Exploration success

There can be no assurance that exploration of the projects will result in the discovery of economic coal deposits. Even if an apparently viable deposit is identified, there is no guarantee it can be economically exploited.

(i) Foreign exchange risk

The Company will be exposed to the volatility and fluctuations of the exchange rate between the United States dollar, the Indonesian rupiah and the Australian dollar.

Global currencies are affected by a number of factors that are beyond the control of the Company. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities together with the ability to

fund those plans and activities.

(j) Environmental risks

The operations and proposed activities of the project are subject to Indonesian laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

(k) Potential acquisitions

As part of its business strategy, the Company intends to make acquisitions of, or significant investments in, complementary companies or projects. Any such future transactions would be accompanied by the risks commonly encountered in making such acquisitions.

(l) Regulatory

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

General risks

(m) General economic and political Risks

Changes in the general economic and political climate in Indonesia and on a global basis could impact on economic growth, coal prices, interest rates, the rate of inflation, taxation and tariff laws, domestic security which may affect the value and viability of any coal activity that may be conducted by the Company.

(n) Insurance risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect of the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(o) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(p) Market risk

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism and other hostilities.

(q) Government

Government action or policy change, both in Australia and Indonesia, particularly in relation to lands and infrastructure, compliance with environmental regulations, taxation and royalties, may adversely affect the Company's operations and financial performance.

(r) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

The Board is, nevertheless, of the opinion that the change in activities provides a benefit to the Company and its Shareholders, which, on balance, outweighs the potential risks involved.

1.13 Directors' Recommendations

The Board unanimously recommends the change in nature and scale of the Company's activities to include coal exploration and mining through the Transactions and that Shareholders vote in favour of Resolutions 1 to 5 (inclusive).

It is the view of the Directors that the Transactions will give Shareholders the opportunity to participate in a potentially significant exploration program in a prospective coal reserve region.

In addition, the SJC Acquisition and PTGS Acquisition and, accordingly, their exploration rights, present an opportunity for the Company to acquire prospective and strategic coal assets and progress the transformation of the Company to a coal exploration, mining, production and trading company.

Macro Corporation Limited

The SJC Acquisition and PTGS Acquisition are the first step in the Company's strategy designed at targeting world class discoveries and implementing intensive, targeted exploration programs.

For the above reasons, the current Directors consider that the Transactions and matters the subject of Resolutions 1 to 5 (inclusive) are in the best interests of the Company and recommend that Shareholders vote in favour of all Resolutions at the Meeting. It is noted that none of the Directors currently hold any Shares in the Company.

1.14 Independent Experts Report

The Company has not engaged an independent expert to report on the proposed Transactions. There is no requirement under the Corporations Act or the ASX Listing Rules for an independent expert's report on the proposed Transactions. The Board considers that it is suitably qualified to assess the proposed Transactions on their merits and recommend the approval of the Resolutions to Shareholders accordingly.

2. Resolution 1 – Approval of the sale of Ocean Spirit IV

2.1 Background

Resolution 1 seeks Shareholder approval for the sale of the Ocean Spirit IV (Registration Number: 25228QD) (**Vessel**).

The Company's wholly owned subsidiary, OS Cairns Pty Ltd (**Seller**) has entered into a conditional Asset Sale and Purchase Agreement (**OSIV Agreement**) to sell the Vessel to PT Titian Antar Pulau (**Buyer**) for a total cash payment of AUD\$3,650,000.

2.2 Approval under Listing Rule 11.2

Listing Rule 11.2 provides that a significant change involving any entity disposing of its main undertaking or business requires Shareholders approval. As the Vessel represents a significant asset of the Company, for the purposes of Listing Rule 11.2, Shareholders approval is required before the Vessel Disposal can proceed.

2.3 Key terms of the OSIV Agreement

The key terms of the OSIV Agreement are as follows:

| Item | Description |
|-----------------------|--|
| <i>Asset sold</i> | The Vessel |
| <i>Purchase price</i> | AUD\$3,650,000, paid as follows: <ul style="list-style-type: none">• AUD\$50,000 (Commitment Fee) to be paid by the Buyer to the Seller upon signing the OSIV Agreement and refunded if the Seller's Board of Directors does not approve the sale;• 10% deposit (Deposit) to be paid by the Buyer within 14 banking days of the Company's Shareholders' approval of the sale to a joint bank account in the names of the Seller and Buyer;• The remaining balance of the Purchase Price is to be paid by the Buyer to the Seller within 90 days of the Company's Shareholders' approval of the sale. |

| Item | Description |
|--------------------------------------|--|
| <i>Conditions precedent</i> | <p>Completion of the sale of the Vessel is subject to the following conditions precedent:</p> <ul style="list-style-type: none"> • the Company's Board approving the sale; • the Company's Shareholders approving the sale; and • the Seller providing the Buyer with a written Notice of Readiness for delivery. |
| <i>Inspection</i> | <p>The Buyer has the right to inspect the Vessel's classification records and declare whether the same are accepted in Cairns, Australia.</p> |
| <i>Time and place of delivery</i> | <p>The Seller shall deliver the Vessel at the Benoa Port in Bali, Indonesia within 45 days of full payment of the Purchase Price.</p> |
| <i>Dry docking/Divers inspection</i> | <p>The Vessel is to be delivered without dry docking, however, the Buyer shall have the right at their expense to arrange for an underwater inspection by a diver approved by the Classification Society prior to the delivery of the Vessel.</p> |
| <i>Spares/bunkers etc.</i> | <p>The Seller shall deliver the Vessel with everything belonging to it on board and on shore but excluding spare parts and equipment on order.</p> <p>The Buyer shall take over remaining bunkers, unused lubricating oils in storage tanks and sealed drums and pay the current net market price in AUD\$ (excluding barging expenses) at the port on the date of the delivery of the Vessel.</p> |
| <i>Encumbrances</i> | <p>The Seller warrants that the Vessel, at the time of delivery, is free from all charters, encumbrances, mortgages and maritime liens or nay other debts whatsoever.</p> <p>The Seller indemnifies the Buyer against all consequences of claims made against the Vessel which have been incurred prior to the time of delivery.</p> |
| <i>Condition on delivery</i> | <p>The Vessel with everything belonging to it shall be at the Seller's risk and expense until it is delivered to the Buyer, but subject to the conditions of the OSIV Agreement, it shall be delivered and taken over as it is at the time of inspection except for fair wear and tear.</p> |
| <i>Name/markings</i> | <p>Upon delivery, the Buyer undertakes to change the name of the Vessel and alter funnel markings.</p> |
| <i>Buyer's default</i> | <p>If the Deposit is not paid, the Seller has the right to cancel the OSIV Agreement and be entitled to forfeit the Commitment Fee.</p> <p>If the Purchase Money is not paid, the Seller has the right to cancel the OSIV Agreement and be entitled to the Deposit together with interest earned. If the Deposit does not cover their loss, they shall be entitled to claim further compensation for their losses and for all expenses together with interest.</p> |

| Item | Description |
|--------------------------------|--|
| <i>Seller's default</i> | <p>If the Sellers fail to give a Notice of Readiness for delivery of the Vessel or fail to be ready to validly complete a legal transfer by the date stipulated, the Buyer has the option to cancel the OSIV Agreement. Notwithstanding this, if negligence has been proven, the Buyer is entitled to compensation from the Seller for their loss and all expenses together with interest.</p> <p>If after the Notice of Readiness has been given but before the Buyer has taken delivery, the Vessel ceases to be physically ready for delivery and is not made physically ready again by a new stipulated date and new Notice of Readiness given, the Buyer has the option to cancel to the OSIV Agreement.</p> <p>If the Buyer cancels the OSIV Agreement, they shall be entitled to the deposit together with interest earned.</p> |
| <i>Buyer's representations</i> | <p>After the OSIV Agreement has been signed by both parties and the 10% deposit has been lodged, the Buyer has the right to place two representatives on board the Vessel at their sole risk and expense.</p> |

2.4 Benefits and risks of the Vessel Disposal

The key advantage of proceeding with the Vessel Disposal is to finalise the sale of all assets relating to the Company's prior business and providing the Company with sufficient funds to meet its obligations under the SJC Agreement and PTGS Agreement.

The key risk of the sale is that it is subject to a number of conditions precedent (including the Company's Shareholders' approval) and so, there is a risk that it would not proceed if all the conditions are not satisfied and the Company may not have sufficient funds to acquire its interests in SJC and PTGS respectively.

2.5 Financial impact of the Vessel Disposal

The financial position of the Company at 1 January 2012 as if the sale of the Vessel had occurred on 1 January 2012 is set out section 1.9.

2.6 Board recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolution 1.

3. Resolution 2 – Approval of Acquisitions of SJC and PTGS and Change in Nature and Scale of Activities

3.1 Background

Resolution 2 has been included so that Shareholders may approve, pursuant to Listing Rule 11.1, the Company proceeding with the proposed acquisition of 70% (and up to 100%) of the issued capital in SJC and PTGS (respectively), through its wholly-owned subsidiary, Macro Resources and the change in the Company's nature and scale of activities as a result of these acquisitions.

Resolution 2 is conditional on Resolutions 3 (if required) and 4 being approved at the Meeting.

3.2 Approval under Listing Rule 11.1

Listing Rule 11.1.2 provides that the Company must obtain the approval of Shareholders if required by ASX, where the Company proposes a significant change to the nature or scale of its activities. ASX has confirmed with the Company that Shareholder approval under Listing Rule 11.1.2 to change the nature and scale of the Company's activities so that the Transactions can proceed is required.

The SJC Acquisition and PTGS Acquisition will constitute a significant change to the nature of the Company's activities as set out in this Explanatory Statement (refer to section 1 above).

3.3 Effects of the proposed change in activities

The SJC Acquisition and PTGS Acquisition will be a change in the nature of the Company's current activities, adding to them exploration, extraction, production and trading of coal. As a result of the Company having ceased its former tourism business, the SJC Acquisition, PTGS Acquisition and operation of their respective coal mining assets will be the sole focus of the Company's business moving forward. As such, it is also expected that the SJC Acquisition and PTGS Acquisition will result in a significant change of scale for the Company.

As previously stated, the purpose of the SJC Acquisition and PTGS Acquisition is to broaden the activities of the Company, and in doing so, implement a strategy to increase value for Shareholders over the longer term. The Board reasonably believes that it will be capable of managing the implementation process such that there is minimal risk that additional time and resources required from the existing executive team.

Macro is seeking to raise capital necessary to comply with ASX's requirements under Chapters 1 and 2 of the Listing Rules (i.e. in order to meet the necessary spread requirements for Shareholders), for working capital and to assist fund the SJC Acquisition and PTGS Acquisition.

To illustrate the effect of the Transactions on the Company, a pro forma statement of financial position has been prepared and is set out in section 1.9 above.

The Company will request a trading halt on the day of the Meeting in respect of the approval of Transactions. If Shareholders approve Resolutions 2 to 4 (inclusive), trading in the Company's securities will be suspended until the Company satisfies the requirements of Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3. If Shareholders do not approve Resolutions 2 to 4 (inclusive), the Company's securities will resume trading following the release of the results of the Meeting to the market.

3.4 Board recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolution 2.

4. Resolution 3 – Approval of Share Consolidation

4.1 Background

Resolution 3 seeks Shareholder approval to consolidate the number of Shares on issue on a 2 to 1 basis (**Consolidation**). Resolution 3 is conditional on Resolutions 2 and 4 being passed at the Meeting and the Share price being below \$0.20 at close of trade on the last trading day prior to the Meeting.

For an entity to be admitted to the ASX Official List it must comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules and one of the re-listing requirements is that the Company's underlying value of its securities is 20 cents.

It is through consolidating its capital structure that a Company is able to achieve a listing price of 20 cents, if the Share price is below that value. The Company's last recorded Share price as at Thursday, 13 September 2012 was \$0.26. If this price is maintained above \$0.20, Resolution 3 will not be required. However, given the Shares are currently quoted on the ASX, the share price is subject to fluctuation. In the event that this price is below \$0.20 at close of trade on the last trading day before the date of the Meeting, Resolution 3 will be required and so the Company must determine what consolidation factor when applied to the last recorded Share price will result in a listing price of at least 20 cents.

The Company has determined that a consolidation factor of two, that when applied to the last recorded share price, will achieve a listing price of 20 cents or more. This is to ensure that Resolution 3, if required, will be satisfactory for the purposes of Chapters 1 and 2 of the ASX Listing Rules so long as the Share price does not fall below \$0.10 at close of trade on the last trading day before the date of the Meeting.

Whilst the Share price is not in the control of the Company, the Board is confident as at the date of the Notice that Resolution 3 will not be required to be put to Shareholders at the Meeting and the Consolidation will not be required in order to comply with the re-listing share price requirement under Chapter 1 of the ASX Listing Rules.

Resolution 3 is conditional on Resolutions 2 and 4 being approved at the Meeting.

4.2 Regulatory Requirements

Section 254H of the Corporations Act enables a company to convert all or any of its shares into a larger or smaller number of shares by a resolution passed at a general meeting. The conversion proposed by Resolution 3 is permitted under section 254H of the Corporations Act. Listing Rule 7.20 provides that if an entity proposes to reorganise its capital, it must advise shareholders of certain matters, which are set out below.

4.3 Effect of capital structure

The Company has 92,174,634 shares on issue. The Consolidation, if required, would reduce the number of Shares on issue to approximately 46,087,317 Shares. Any fractional entitlements as a result of holdings not being evenly divisible by two will be rounded up to the nearest whole number.

For example, if you currently hold 10,001 Shares, as a result of the Consolidation, you will hold 5,001 Shares (10,001 shares divided by 2 = 5,000.5 shares rounded up to the nearest whole number results in a holding of 5,001 shares).

The pro-forma capital structure of the Company on completion of the Consolidation would be as follows:

| Equity Securities | Pre-consolidation | Post-consolidation |
|----------------------------|-------------------|--------------------|
| Existing Shares | 92,174,634 | 46,087,317 |
| Existing Options | Nil | Nil |
| Existing Convertible Notes | Nil | Nil |

The Company's balance sheet and tax position will remain unaltered as a result of the Consolidation.

As the Consolidation applies equally to all shareholders, (subject only to the rounding of fractions), it will not result in any material change to the substantive rights and obligations of shareholders, and the proportional interest of each shareholder in the Company will not materially change as a result of the Consolidation, as the only anticipated changes, which will be as a result of rounding, will be immaterial.

Macro Corporation Limited

Theoretically, the market price of each share following the Consolidation should increase by two times the current value. Practically, the actual effect of the market price of each share will be dependent upon a number of factors which will not be within the control of the Company. Therefore, this may result in the market price of each share following Consolidation being higher or lower than the theoretical post-Consolidation price.

In the event of Consolidation, the likely impact of the Capital Raising may likely have a negative impact on the market price of the shares. Refer to section 5 below for further commentary on the impact of the Capital Raising in the event of Consolidation.

4.4 Holding Statements

From the date of Consolidation, all existing holding statements for Shares will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post-Consolidation basis. After the Consolidation becomes effective, the Company will arrange for new holding statements to be issued to Shareholders. It is the responsibility of each Shareholder to check the number of Shares held prior to Consolidation and post-Consolidation.

4.5 Taxation implications

It is not considered that any taxation implications for shareholders will arise out of this Consolidation. However, Shareholders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company nor the Directors (or the Company's advisers) accept any responsibility for the individual taxation implications arising from the Consolidation.

Nevertheless it is the understanding of the Company that no CGT event will occur as a result of the Consolidation and therefore there will be no taxation implications arising for Shareholders.

The Consolidation will be undertaken in accordance with section 254H of the Corporations Act. Subject only to rounding, there will be no change in proportionate interests held by each Shareholder in the Company as a result of the consolidation.

4.6 Indicative Timetable for Consolidation

If Resolution 3 is required to be put to Shareholders and is passed, the Consolidation will take effect in accordance with the following timetable (as set out in the Listing Rules):

| Event | Date |
|--|-------------------|
| - Company announces Consolidation | 18 September 2012 |
| - Company dispatches notice of General Meeting | 19 September 2012 |
| - Last day for trading in pre-consolidated securities | 18 October 2012 |
| - Suspension of trading of Company's securities | 19 October 2012 |
| - General Meeting: Entity tells ASX that shareholders have approved consolidation | 19 October 2012 |
| - Trading in the reorganised securities on a deferred settlement basis would ordinarily occur * | 23 October 2012 |
| - Last day for the entity to register transfers on a pre-consolidation basis | 29 October 2012 |
| - First day for entity to send notice to each Shareholder - First day for issue of new Holding Statements - First day for Company to register Shares on a post-consolidation basis | 30 October 2012 |

| Event | Date |
|---|-----------------|
| <ul style="list-style-type: none">- Dispatch Date - deferred settlement market ends- Last day for securities to be entered into the holders security holdings and Last day for the entity to issue them and send the statements to the holder- Last day for entity to send notice to each shareholder | 5 November 2012 |

* The Company's securities will be suspended from trading on this date so deferred settlement trading will not occur until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules.

The above dates are indicative only and are subject to change without notice.

In accordance with section 254H(4) of the Corporations Act, a copy of Resolution 3, if passed, shall be lodged with ASIC within one month of the Meeting.

4.7 Board recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolution 3.

5. Resolution 4 – Approval of Capital Raising

5.1 Background

Resolution 4 seeks Shareholder approval for the allotment and issue of a number of Shares at an issue price to be determined by the Company (in consultation with any underwriter/s), provided that the issue price will not be less than (i) a price equal to 80% of the daily weighted average price of Shares traded on the ASX calculated over the last five days on which sales in the Shares are recorded before the day on which the Prospectus is lodged (ii) or \$0.20, to raise approximately \$1,000,000 (**Public Offer**).

The Public Offer will be conducted in conjunction with a non-renounceable rights issue to existing Shareholders for the issue of the same number of Shares and at the same price as offered under the Public Offer (**Rights Issue**). The Public Offer and Rights Issue are collectively referred to as the Capital Raising. The Rights Issue shall give existing Shareholders the ability to top up their holdings to increase the likelihood of the Company achieving the spread requirements under Chapters 1 and 2 of the ASX Listing Rules.

The Capital Raising will be undertaken via the issue of a prospectus and will be conditional on the Shareholders approving Resolutions 1 to 4 at the Meeting and the ASX confirming the Company has complied with Chapters 1 and 2 of the ASX Listing Rules and approving the change of the Company's activities to that of a resources company.

Further details regarding the Capital Raising (and in particular any underwriting arrangements) will be announced by the Company shortly. It is anticipated that the Prospectus will be lodged with ASIC prior to the date of the Meeting (refer to the indicative timetable at Section B).

Resolution 4 is conditional on Resolutions 2 and 3 (if required) being approved.

It is not anticipated that any of the Directors or any other related party of the Company will partake in the Capital Raising other than where they are an existing Shareholder taking up their entitlement (in part or in full) under the Rights Issue.

5.2 Use of Funds

The Company intends to use the funds from the Capital Raising to partially fund the SJC Acquisition and PTGS Acquisition but primarily as working capital for the establishment of mining operations at the SJC and PTGS projects.

5.3 Advantages of supporting the Resolution

As noted above, ASX approval for the Company's change in nature and scale is dependent on the Company complying with Chapters 1 and 2 of the ASX Listing Rules. One of these requirements is that the Company has at least 400 Shareholders holding parcels of Shares worth \$2,000 or 500 Shareholders holding parcels of Shares worth \$2,000 or more where related parties of the Company hold 20% or more of the total number of Shares. Approval of Resolution 4 will allow the Company to introduce new investors to assist in meeting this requirement. If Resolution 4 is not passed, the Company will be required to rely on the Rights Issue component of the Capital Raising (which is not subject to Shareholder approval) in order to meet this requirement.

In addition, the funds raised through the Public Offer will assist the Company in funding both the SJC Acquisition and PTGS Acquisition as well as provide working capital for the continued exploration of the relevant SJC and PTGS exploration areas.

5.4 Disadvantages of supporting the Resolution

Shareholders are advised that they should balance the reasons to support Resolution 4 against the potential disadvantages of supporting it. The risks to Shareholders and disadvantages of approving Resolution 4 include:

(a) Dilution

If Resolution 4 is approved then existing Shareholders would be diluted. The extent of this dilution will depend upon the price per Share at which the Public Offer occurs (which is also dependent upon whether the Consolidation occurs).

The table below demonstrates the potential dilution that may occur as a result of the Public Offer. The table assumes that: (i) the Consolidation is not required; (ii) approximately \$1,000,000 of new Shares are issued under the Public Offer; (iii) the minimum price is \$0.20; and (iv) a further approximately \$1,000,000 of new Shares is issued under the Rights Issue (on either a fully subscribed or fully underwritten basis) although it is noted the Rights Issue amount may be higher than \$1,000,000 depending on the entitlement ratio determined by the Board.

| Issue Price | Number of Shares issued under Public Offer | Total issued capital following Capital Raising * | Percentage of Public Offer Shares |
|---|---|---|--|
| 5 day VWAP of Shares prior to date of Prospectus estimated at \$0.24 | 4,166,666 | 100,507,966 | 4.15% |
| Price that is midpoint of the estimated 5 day VWAP (\$0.24) and 80% of the estimated 5 day VWAP is \$0.216 (rounded up to \$0.22) | 4,545,454 | 101,265,542 | 4.49% |
| Price that is 80% of the 5 day VWAP \$0.192 which is below the minimum price of \$0.20. Therefore issue price will be \$0.20 . | 5,000,000 | 102,174,634 | 4.89% |

Macro Corporation Limited

- * Macro currently has 92,174,634 Shares on issue and the Capital Raising contemplates approximately the issue of the same number of Shares under the Rights Issue as under the Public Offer.

(b) Issue price of Shares may be at a discount

The Public Offer Shares may occur at a discount to the market price of the Shares immediately prior to their issue. Shareholder should also note the risk that the market price of the Shares as of the issue date may be materially lower than the current market price.

5.5 Regulatory Requirements

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on commencement of that 12 month period.

The effect of Resolution 4 will be to allow the Directors to issue the Public Offer Shares during the period of three months after the Meeting (or a longer period if allowed by ASX) without using the Company's annual 15% placement capacity.

5.6 Details

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Public Offer:

- (a) the maximum number of Shares to be issued and allotted will be determined by the terms and price specified in the Prospectus but subject to the formula set out above;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting and it is intended that allotment will occur on the same date;
- (c) the issue price will be not less than (i) a price equal to 80% of the daily weighted average price of the Shares traded on ASX calculated over the last five days on which sales in the Shares were recorded before the date of the Prospectus; or (ii) \$0.20;
- (d) the Shares will be issued pursuant to a prospectus and allocated at the discretion of the Company (and any underwriter/s) but will not be allocated to related parties;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Public Offer (after costs of the Capital Raising) to assist in the SJC Acquisition and PTGS Acquisition as well as for working capital purposes.

5.7 Board recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolution 4.

6. Resolution 5 – Change of Constitution

6.1 Background

Subject to Shareholder approval being obtained at the meeting, the Company will repeal its existing Memorandum and Articles of Association adopted by Shareholders in 1990 (**Old Constitution**) in its entirety and adopt a new constitution (**New Constitution**) with effect from the date of the meeting. The Old Constitution was adopted before the new Corporations Act regime and so, the Board believe that it is preferable in the circumstances to adopt the New

Macro Corporation Limited

Constitution to ensure compliance with the changes to the law, the ASX Listing Rules and latest corporate governance principles.

6.2 Regulatory Requirements

Pursuant to section 136(2) of the Corporations Act, it is necessary for a special resolution of Shareholder to be passed to repeal and replace the Old Constitution and adopt the New Constitution.

6.3 Details

The Board considers the New Constitution to be standard for a listed public company in Australia and accordingly, it has been approved by ASX as being compliant with the ASX Listing Rule requirements.

A summary of the key terms of the New Constitution are set out in **Section G**.

Shareholders wishing to receive a copy of the New Constitution should contact the Company Secretary. Contact details are set out in section 7 of this Explanatory Statement below.

6.4 Board recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolution 5.

7. Resolution 6 – Change of Auditor

7.1 Background

It is proposed that, subject to ASIC approval, the Company's existing auditors, BDO Nth Qld, will resign as auditors at the Meeting and, subject to Shareholder approval, be replaced by ShineWing Hall Chadwick. Due to the Company's relocation of its principal place of business from Cairns to Melbourne, the current auditor considers it impractical to continue in their position as auditor, given their being located in Cairns.

Section 327C(1) of the Corporations Act allows for Shareholders to appoint an auditor at a General Meeting if there is a vacancy in the office of auditor of the Company.

A nomination has been received from a member of the Company to appoint ShineWing Hall Chadwick as auditors to the Company. A copy of the nomination is attached to this Explanatory Statement (refer section G) in accordance with section 328B(3) of the Corporations Act. Pursuant to the Corporations Act, ShineWing Hall Chadwick have consented in writing to act as auditor to the Company, and have not withdrawn that consent prior to the date of this Annual General Meeting.

7.2 Board recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolution 6.

8. Queries

If you have any queries about the meeting, the Resolutions to be put to the meeting or the proposals being considered, please contact:

Dr Muhamad Abduh
Company Secretary
E: macro.dsc@gmail.com.au
T: (03) 9225 5148
M: 0469 012 672
M: 0423 881 181

E. Glossary

1. **AEDT** means Australian Eastern Daylight Savings Time.
2. **ASIC** means the Australian Securities and Investments Commission.
3. **ASX** means ASX Limited or the Australian Securities Exchange (as the context requires).
4. **AUD, A\$ or \$** means Australian dollars.
5. **Board** means the board of Directors of the Company.
6. **Buyer** means the buyer of the Vessel under the ASPA, being PT Titian Antar Pulau.
7. **Capital Raising** means the Rights Issue and Public Offer collectively.
8. **CGT** means capital gains tax.
9. **Consolidation** means the consolidation of every two Shares on issue into one Share, being the subject of Resolution 3.
10. **Corporations Act** means the *Corporations Act 2001* (Cth).
11. **Director** means a director of the Company.
12. **Explanatory Statement** means the explanatory statement accompanying the Notice.
13. **Listing Rules** means the listing rules of the ASX as amended from time to time.
14. **Macro or Company** means Macro Corporation Limited ACN 008 722 736.
15. **Macro Resources** means Macro Resources Pty Ltd ACN 081 124 914, a wholly owned subsidiary of the Company.
16. **Meeting** means the general meeting of the Company to be held on Friday, 19 October 2012, commencing at 11.00am at Level 26, 530 Collins Street, Melbourne, Victoria.
17. **New Constitution** means the constitution proposed to be adopted at the Meeting in place of the Old Constitution, a summary of its key terms being set out in **Section G**.
18. **Notice** means the Notice of Meeting dated 19 September 2012.
19. **Old Constitution** means the current constituent documents of the Company, being its Memorandum and Articles of Association approved by Shareholders in July 1990.
20. **Option** means an option that may be exercised into a Share or Shares.
21. **OSIV Agreement** means the Asset Sale and Purchase Agreement for the Vessel between the Seller and Buyer dated 3 March 2012.
22. **Prospectus** means a prospectus to be lodged pursuant to Chapter 6D of the Corporations Act in respect of the Public Offer and the Rights Issue.
23. **PTGS** means PT. Gunung Sukai, a company incorporated in Indonesia.
- 23.1 **PTGS Acquisition** means the acquisition of up to 100% of PTGS by Macro Resources pursuant to the PTGS Agreement, as further detailed in sections 1 and 3 of the Explanatory Statement.

Macro Corporation Limited

- 23.2 **PTGS Agreement** means the sale and purchase agreement exchanged on 16 August 2012 between Macro Resources as purchaser and the shareholders of PTGS.
24. **Public Offer** has the meaning given in section 5.1 of the Explanatory Statement.
25. **Resolution** means a resolution to be put to Shareholders at the Meeting, as specified in the Notice.
26. **Rights Issue** has the meaning given in section 5.1 of the Explanatory Statement.
27. **Seller** means the owner and seller of the Vessel, being OS Cairns Pty Ltd ACN 009 272 511, a wholly owned subsidiary of the Company.
28. **Share** means an ordinary security issued in the Company.
29. **Shareholder** means a holder of any Shares.
30. **SJC** means PT. Sarmar Jaya Cemerlang, a company incorporated in Indonesia.
- 30.1 **SJC Acquisition** means the acquisition of an interest in SJC by Macro Resources pursuant to the SJC Agreement, as further detailed in sections 1 and 3 of the Explanatory Statement.
- 30.2 **SJC Agreement** means the share sale and purchase agreement for the SJC Acquisition dated on or around 12 March 2012 between Macro Resources as buyer and Siswoyo, an Indonesian national and majority shareholder of SJC, as seller.
31. **Transactions** mean the Vessel Disposal, the SJC Acquisition and the PTGS Acquisition.
32. **Vessel** means the motor vessel named Ocean Spirit IV (Call Sign: Grt/Nrt, Register Number: 25228QD).
33. **Vessel Disposal** means the sale of the Vessel pursuant to the ASPA.

F. Summary of New Constitution

| Subject | Rule ref. | Summary of Rule |
|--|-----------|--|
| Company status and replaceable rules | 1.1 | The Company is a public company and the replaceable rules in the Corporations Act do not apply to the company. |
| ASX Listing Rules | 2 | These provisions enable the Company to list on the ASX at some point in time without the need for additional amendment. |
| Directors – Appointment, Nomination, Retirement and Removal | 3 | <p>The Board may decide a number of Directors (not counting Alternates) but the minimum number of Directors is three (two of whom must ordinary reside in Australia).</p> <p>The Directors are not required to be members of the Company but must not be an auditor, partner or employee of the auditor.</p> <p>Directors may be appointed by the Board at any time except during a general meeting. Such a Director will automatically retire at the next annual general meeting and is eligible for re-election by that annual general meeting.</p> <p>Directors may also be appointed by Ordinary Resolution of the Shareholders at general meeting.</p> <p>Directors may only be removed by resolution of the Shareholders at a general meeting.</p> <p>A notice of nomination of a new director must be given in accordance with the ASX Listing Rules, which require that the notice be accepted by the Company up to 35 Business Days before the relevant meeting (or 30 Business Days where the meeting is being convened at the request of the a Shareholder). The Company must notify Shareholders of every candidate for election as a Director at least seven days before the relevant meeting.</p> <p>One third of Directors must retire from office at each general meeting and any Director at the third annual general meeting after their appointment or election. The requirement to retire does not apply to Directors appointed by the Board, the Managing Director (or if there is more than one, the requirement to retire will not apply to just one Managing Director) and Alternate Directors. A retiring Director is eligible for re-election.</p> |
| Directors' remuneration | 10 | Subject to any contract with the Company and to the ASX Listing Rules, the Board may fix the remuneration of each Executive Director. The remuneration must not be a commission on or percentage of profits or operating revenue. |
| Officers' indemnity and insurance | 11 | <p>Subject to the Corporations Act, the Company may enter into, and pay premiums on, a contract of insurance in respect of any person.</p> <p>The New Constitution includes provisions regarding the Company's indemnification of its officers.</p> |
| Board meetings | 12 | <p>The quorum for a Board meeting is two Directors and a quorum must be present for the whole meeting.</p> <p>A resolution of the Board must be passed by a majority of the votes cast by Directors entitled to vote on the resolution. If an</p> |

Macro Corporation Limited

| Subject | Rule ref. | Summary of Rule |
|----------------------------------|-------------------|--|
| | | equal number of votes is cast for and against a resolution, the chairman does not have the casting vote and the matter is decided in the negative. |
| General meetings | 14 | <p>A Director of the Company may convene a general meeting at any time. The Board must convene an annual general meeting and convene a general meeting when requested by Shareholders in accordance with the Corporations Act.</p> <p>Each Shareholder is entitled to receive at least 28 days written notice and attend the general meeting of the Company, whether or not they are entitled to vote at the meeting. However, a Shareholder who has an unpaid share on call is not entitled to be present, speak or vote at, or be counted in the quorum for a general meeting.</p> <p>The quorum for a general meeting is two voting Shareholders.</p> |
| Proxy | 15 | <p>Each Shareholder may only appoint up to two proxies.</p> <p>A valid appointment of a proxy must be deposited at the Company's registered office at least 48 hours before the commencement of the meeting.</p> |
| Entitlement to vote | 16 | <p>Subject to the New Constitution, the Corporations Act and the ASX Listing Rules, at a general meeting, on a show of hands, each Shareholder present in person or by proxy has one vote.</p> <p>On a poll, each Shareholder present in person or by proxy has one vote for each fully paid share, and for each partly paid share a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.</p> <p>A Shareholder is entitled to be counted in a vote only in respect of shares in which all calls due and payable have been paid.</p> |
| How voting is carried out | 17 | <p>A resolution put to the vote at a general meeting must be decided on a show of hands unless a poll is demanded.</p> <p>A poll may be demanded on any resolution (except a resolution concerning the election of the chairman of a meeting) by at least five shareholders, shareholders with a least five per cent (5%) of the votes that may be cast or by the chairman.</p> <p>If an equal number of votes is cast for and against a resolution at a general meeting, the chairman does not have a casting vote and the matter is decided in the negative.</p> |
| Company seals | 20 | <p>A common seal is optional and the fixing of the common seal to a document must be witnessed by two Directors, by one Director and one Secretary or by any signatories or in any other way (including the use of facsimile signatures) authorised by the Board.</p> |
| Issue of shares | 22 and Schedule 6 | <p>Subject to the Corporations Act and the ASX Listing Rules, the Board may issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Board decides.</p> <p>The Company may issue preference shares (including preference shares that are liable to be redeemed).</p> |

Macro Corporation Limited

| Subject | Rule ref. | Summary of Rule |
|---|-----------|---|
| | | <p>If the Company issues different classes of share, or divides issued shares into different classes, the rights attached to shares in any class (subject to the Corporations Act) may be varied or cancelled with the written consent of the holders of 75% of the issued shares of the affected class or by Special Resolution passed at a separate meeting of the holders of the issued shares of the affected class. Subject to the terms of the issues of shares, the rights attached to a class of shares are not treated as varied by the issue of further shares of that class.</p> |
| Variation of rights | 22.6 | <p>If the Company issues different classes of share, or divides issued shares into different classes, the rights attached to shares in any class (subject to the Corporations Act) may be varied or cancelled with the written consent of the holders of 75% of the issued shares of that class or by Special Resolution passed at a separate meeting of the holders of the issued shares of that class.</p> <p>Subject to the terms of the issues of shares, the rights attached to a class of shares are not treated as varied by the issue of further shares of that class.</p> |
| Forfeiture of shares | 25.9 | <p>At any time until a Called Amount is paid, the Board may give the relevant Shareholder a notice requiring the payment on a date at least 14 days after the date of the notice and, if the Shareholder fails to comply with the notice, the share(s) can be forfeited.</p> |
| Dividends | 27 | <p>The Company may pay to Shareholders a dividend (including an interim dividend) as permitted by the Corporations Act from time to time. The Directors may fix the amount, the time for payment and the method of payment in accordance with the New Constitution, the Corporations Act and the ASX Listing Rules (as applicable).</p> <p>Subject to the terms of issue of shares, the Company may pay a dividend on one class of shares to the exclusion of another class.</p> |
| Share plans | 28 | <p>The Board may adopt and implement a reinvestment plan or any other plan in relation to any dividend payable by the Company.</p> |
| Transfer of shares | 29 | <p>A Shareholder may transfer a share by any means permitted by the New Constitution, the Corporations Act or any other law. The Company must not register a transfer of restricted securities during the relevant escrow period (except as permitted by the ASX Listing Rules or the ASX).</p> <p>The Board may refuse register a transfer of shares where refusal is permitted under the ASX Listing Rules or the ASX Operating Rules.</p> <p>If the Board refuses to register a transfer, the Company must give the lodging party notice of refusal and the reasons for it.</p> |
| Unmarketable parcels (small shareholdings) | 31 | <p>Subject to the ASX Listing Rules, and compliance with the procedure set out in the New Constitution, the Company may issue a notice of divestment to a Shareholder holding an Unmarketable Parcel. Unless the Shareholder objects to the divestment, the Company must sell the Shares as agent of the Shareholder with all consideration received by the Company to be paid to the relevant Shareholder.</p> |

Macro Corporation Limited

| Subject | Rule ref. | Summary of Rule |
|-------------------|-----------|--|
| Winding Up | 34 | Subject to the terms of issue of shares and the New Constitution, if the Company is wound up the liquidator may with the sanction of the a Special Resolution of the Shareholders, divide the assets of the Company among the Shareholders. |
| Notices | 35 | In relation to personal delivery, fax or electronic message, notice is received on that day if it is by 5:00pm on a Business Day or otherwise on the next Business Day if not received by 5:00pm on a Business Day or a day that is not a Business Day. In relation to mail, notice is received one Business Day after posting. |

G. Nomination of Auditor

06 September 2012

[18 Drummond Street, Carlton, Victoria 3053]

The Directors
Macro Corporation Limited
18 Drummond Street
CARLTON VIC 3053

Dear Sirs

Notice of Nomination of Proposed Auditor

We, Entrepreneur Development Capital Pty Ltd, being a member of Macro Corporation Limited (**Company**), hereby nominate ShineWing Hall Chadwick for appointment as auditor of the Company at its next general meeting and annual general meeting.

Please distribute copies of this notice as required by Section 328B(3) of the Corporations Act 2001 (Cth).

Yours faithfully



Director
Entrepreneur Development Capital Pty Ltd

This page has been left intentionally blank.

This page has been left intentionally blank.



Macro Corporation Ltd

ABN 18 008 722 736

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 552 270
(outside Australia) +61 3 9415 4000

000001 000 MAC
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

For your vote to be effective it must be received by 11:00 am (AEDT) Wednesday 17 October 2012

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Macro Corporation Ltd hereby appoint

the Chairman of the meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Macro Corporation Ltd to be held at HWL Ebsworth, Level 26, 530 Collins Street, Melbourne at 11:00am (AEDT) on Friday 19 October 2012 and at any adjournment of that meeting.

STEP 2 Items of Business **PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

| ORDINARY BUSINESS | For | Against | Abstain |
|---|--------------------------|--------------------------|--------------------------|
| 1 Approval of sale of Ocean Spirit IV vessel | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Approval of Acquisition of PT. Sarmar Jaya Cemerlang (Indonesia), PT. Gunung Sungkai (Indonesia) and Change in Nature and Scale of Activities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Approval of Share Consolidation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Approval of Capital Raising and Share Issue pursuant to Prospectus | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Change of Constitution | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 Change of Auditor | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

| | | |
|---|---|---|
| <p>Individual or Securityholder 1</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div> <p>Sole Director and Sole Company Secretary</p> | <p>Securityholder 2</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div> <p>Director</p> | <p>Securityholder 3</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div> <p>Director/Company Secretary</p> |
|---|---|---|

Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____