

**ASX Announcement**

Thursday, April 12, 2012

**Agreement to Purchase Business****HIGHLIGHTS**

- Agreement to purchase the business of the Seller for \$3.4M which operates in the resource services sector
- Acquisition to be funded out of existing reserves of cash and issue of shares
- An acquisition multiple of less than 3.0 times 2012 forecast EBIT of \$1.2m
- Will contribute to Earnings Per Share in Financial Year ending December 2012
- Strategic initial entry into the Resource Services Sector
- High growth opportunity
- Access to a large pool of Australian and overseas skilled tradespeople

The Board of Fermiscan Holdings Limited (ASX:FER) (Fermiscan or Company) are pleased to announce that the Company, through its wholly owned subsidiary Tempo Industry Partners Pty Ltd, has entered into a conditional agreement to acquire the entire business and nominated assets of the Seller, a Perth based provider of skilled construction and maintenance tradespeople for the resources sector.

The Seller's revenue for the year ending 30 June 2012 is forecast to be \$11.0M with EBIT of \$1.2M representing an acquisition multiple of less than 3.0 times. The purchase consideration of \$3.4M is made up of \$3.0M in cash and \$0.4M in shares.

This transaction is subject to shareholder approval which will be sought at the next Annual General Meeting to be held on or before 31 May 2012.

This Acquisition enables the Company to launch into the resource services sector as well as presenting a high growth opportunity with vital access to a large pool of Australian and overseas skilled tradespeople which are currently in high demand.

Managing Director Dick Wright stated that "in the current environment we have the ideal opportunity to grow the Seller's business and this will complement future acquisitions".

**About the Seller:**

The Seller over the last nine years has built up a strong reputation for providing Shutdown and Maintenance crews, predominantly providing skilled tradespeople to the West Australian resource sector. With access to a large Australian labour pool, a diverse customer base, as well as approved Work Agreements with the Department of Immigration and Citizenship ("DIAC"), the Seller is well positioned to meet the forecast escalating demand for services.

### **Change in Activities**

The Acquisition will require the Company to change the nature and scale of the Company's activities in accordance with Listing Rule 11.1, subject to the approval of the Company's shareholders ("**the Change in Activities**").

Pursuant to Listing Rule 11.1.3, the Company is now required to re-comply with all of the requirements of Chapters 1 and 2 of the Listing Rules before it proceeds with the Change in Activities and the Acquisition. This re-compliance will require the Company to lodge a prospectus.

Based on an expected completion in mid-June, the Acquisition is expected to contribute Revenue and EBIT to Fermiscan with trading revenues in the second half of the financial year ending 31 December 2012 expected to be in excess of \$6.0M. There was no trading revenue in the previous financial year for Fermiscan.

The Company is also exploring other potential acquisitions in the resource services industry.

### **Change of Name**

The Company proposes to change its name to Tempo Australia Limited. It has reserved the new name and will seek shareholder approval for the change. This new name more accurately reflects the proposed future operations of the Company.

### **1. Progress**

Tempo Industry Partners Pty Ltd ("**the Buyer**"), has exchanged contracts with Industry Partners Pty Ltd ACN 103 689 309 in its own capacity and in its capacity as trustee of the The K Trust and of the P Trust and for Industry Partners a partnership of these trusts (ABN 20 623 309 527) & Immigration Partners Pty Ltd ACN 123 166 496 (separately and collectively referred to as '**the Seller**')

The completion of the Acquisition and Change in Activities is conditional upon a number of factors, specifically:-

- (a) The Acquisition is subject to and conditional upon the satisfaction of the terms of the business sale agreement and particularly the conditions precedent thereof referred to in Item 2 below;
- (b) The Company issuing a prospectus which complies with Section 710 of the Corporations Act, 2001;
- (c) The Company successfully re-complying with Chapters 1 & 2 of the Listing Rules for re-admission to the Official List.

## 2. Details of the Acquisition

Through a business sale agreement (“**BSA**”) dated 12 April 2012, the Buyer proposes to acquire the assets of the business and the benefit of contracts and employees of the Seller including the following (“**the Assets**”):-

- Current and ongoing contracts
- The Work Agreements between the Seller and the Department of Immigration and Citizenship;
- Skilled overseas workers brought into Australia as part of the Seller’s labour hire business under those Work Agreements (“**457 Visa Employees**”);
- The Seller’s interest as Lessee in the Lease;
- The business goodwill;
- The business names;
- All intellectual property; and
- Several employees of the business (both full-time and casual).

for consideration comprising:-

- \$3 million in cash; and
- On a pre-consolidation basis, the issue of 20,000,000 Shares in Fermiscan Holdings Limited each at a price of \$0.02 to the Seller (“**the Shares**”).

(a) The Acquisition is subject to the satisfaction of various conditions precedent including but not limited to the following:-

- (i) The Seller must provide the Buyer with evidence that DIAC has unconditionally approved the transfer of the Work Agreements from the Seller to the Buyer;
- (ii) The shareholders of the Company having approved the purchase of the business, the Change in Activities and any other incidental resolutions;
- (iii) The Company having received evidence that the ASX is satisfied that the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and has complied with Chapter 11 of the ASX Listing Rules;
- (iv) The Seller entering into a restriction agreement with the Buyer and the Company in relation to Shares issued to the Seller in part consideration for the purchase of the business; and
- (v) The shareholders of the Company and the ASX having approved and authorised the issue of the Shares to the Seller in part consideration for the purchase of the business.

### 3. Steps and Timetable

#### Notice of Meeting

The Company will hold its Annual General Meeting of shareholders (“AGM”) to put resolutions to shareholders which will need to be approved before the Company re-complies with Chapters 1 and 2 of the Listing Rules. The Company must, at least 28 days before the AGM, provide a detailed notice of those resolutions and an explanatory statement.

#### General Meeting of Shareholders

At the AGM the Company’s shareholders will be asked to resolve to approve the proposed change in activities, to approve a change in the Company’s name to reflect its new direction, approve a share consolidation, and approve any other general business arising in the notice.

#### Suspension

The Company will request a trading halt on and from the day of the AGM until the day the Company is re-listed on the ASX. Re-listing on the ASX requires re-compliance with Chapters 1 and 2 of the Listing Rules to the satisfaction of ASX and that process may require some time for the administrative procedures as well as the issue and closing of a Prospectus.

#### Prospectus

ASX has informed the Company that it must lodge a prospectus. A prospectus will be lodged with ASIC before the AGM. The prospectus will seek to raise up to \$1,000,000.

#### Indicative Timetable

Execution of Business Sale Agreement	12 April 2012
Lodgement and Dispatch of Notice of Annual General Meeting	24 April 2012
Lodgement of Prospectus with ASIC	27 April 2012
Opening date for offer	27 April 2012
Annual General Meeting	31 May 2012
Closing date of Offer under Prospectus	1 June 2012
Consolidation of Capital	12 June 2012
Issue of Shares	14 June 2012
Acquisition completion	14 June 2012
Expected date for re-quotations of the Company’s securities on ASX	14 June 2012

The above dates are indicative only and may change without notice.

#### 4. Financial Information

An unaudited Pro forma balance sheet taking into account the effect of the capital raising, assuming the exercise of all options on issue and following completion of the proposed change to activities is set out below:

	Consolidated Entity	
	31/12/11 (A)	31/05/12 (B)
	(\$)	(\$)
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	2,382,436	3,612,425
Receivables	51,928	33,393
Other	27,059	-
<b>TOTAL CURRENT ASSETS</b>	<b>2,461,423</b>	<b>3,645,818</b>
<b>NON CURRENT ASSETS,</b>		
Property, plant and equipment	53,505	3,453,505
<b>TOTAL NON CURRENT ASSETS</b>	<b>53,505</b>	<b>3,453,505</b>
<b>TOTAL ASSETS</b>	<b>2,514,928</b>	<b>7,099,323</b>
<b>CURRENT LIABILITIES</b>		
Payables and accruals	29,269	-
Borrowings	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>29,269</b>	<b>-</b>
<b>NON-CURRENT LIABILITIES</b>		
Payables	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>29,269</b>	<b>-</b>
<b>NET ASSETS (DEFICIENCY)</b>	<b>2,485,659</b>	<b>7,099,323</b>
<b>EQUITY</b>		
Contributed equity	62,626,693	67,226,693
	-	-
Retained earnings (accumulated losses)	(60,141,034)	(60,127,370)
<b>TOTAL EQUITY (DEFICIENCY)</b>	<b>2,485,659</b>	<b>7,099,323</b>

A) Extract from published financial position dated 31 December 2011

B) Pro forma statement of financial position as at 31 May 2012 assuming all monies raised and purchase consideration paid

## 5. Capital Raising

The Company will undertake a capital raising by way of a placement to Directors and investors to raise up to \$1,000,000 ("**Capital Raising**").

The Company intends to combine funds raised from the offer with its existing cash reserves and to use the total funds to fund the Acquisition, the costs of the Capital Raising and working capital.

Further details of the Capital Raising will be set out in the prospectus which the Company expects to lodge on or about 27 April 2012.

## 6. Share Consolidation

The Company will undertake a consolidation of its existing shares on a basis to be determined and detailed in the Notice of Annual General Meeting. On the basis that every ten shares will be consolidated into one, and assuming all the options on issue have been exercised, the table below shows the pre and post consolidation parameters:

Ordinary Shares	Number
Shares on issue (pre-Consolidation)	1,424,915,677
Shares on issue (post-Consolidation)	142,491,568
Issue of Shares pursuant to the Offer	5,000,000
Issue of Shares pursuant to the Business Sale Agreement	2,000,000
<b>Total Ordinary Shares (post Consolidation)</b>	<b>149,491,568</b>


## 7. Directors

There will be no immediate change to the directors or senior management of the Company after the Acquisition and the current directors and senior management of the Company are expected to remain the same.

## 8. Further Information

For further information, please contact Dick Wright on 0418 211 999 or Giuseppe Leone on 0477 054 436.

Yours faithfully



Robert Whitton  
Chairman