

31 July 2014

Company Announcements Office
Australian Securities Exchange
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Oz Brewing Enters Heads of Agreement to Acquire 3DG

The Directors of Oz Brewing Limited ("**Oz Brewing**" or the "**Company**") are pleased to announce that they have entered into a Heads of Agreement ("**Agreement**") to acquire 3D Group Pty Ltd ("**3DG**"), an Australian unlisted company focussed on opportunities associated with 3D printing.

About 3DG

3DG is an emerging 3D technology company focused on upstream and downstream opportunities associated with additive manufacturing, also referred to as 3D printing. 3DG has been established with a clear strategy to become Australia's leading integrated multi-platform 3D printing company.

Having designed and manufactured the largest fused filament fabrication ("**FFF**") printer on the market in Melbourne, Australia, 3DG is developing a number of ancillary and complementary lines of business and services. These will include further development of industrial grade multi application printers, a print bureau service, an online 3D print file market place, an at school education initiative and a retail kiosk concept.

In addition, 3DG has a strong focus on research and development and have, to this ends, entered a binding agreement with Kibaran Resources Ltd (KNL - ASX) announced to the ASX on 10 July 2014, to establish a joint venture company 3D Graphtech Industries Pty Ltd for the express purpose of exploring and developing the application of graphite and graphene in 3D printing.

3DG expects its revenue streams in the short term to come from the manufacture and sale of large print envelope printers as well as from print bureau services to the product development, architecture, healthcare and education sectors. Longer term, 3DG expects its retail kiosk concept to positively contribute to revenues as too both its online market place and education programs, which are both considered to hold global potential.

The 3D printing market is still at its early stages with application and growth expected to grow substantially over the coming years. 3DG seeks to position as a leader in the sector and build and promote take up of this technology and associated services in Australia by utilising Australian knowhow and ingenuity, re-engaging the manufacturing sector and by offering 'tech' intellectual capacity the opportunity to work and develop new businesses around this disruptive technology here in Australia rather than in other parts of the world.

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Heads of Agreement

On the 28th of July 2014, Oz Brewing, 3DG, key 3DG Shareholders and Street Capital Partners Pty Ltd executed a Heads of Agreement that, subject to satisfaction of a number of conditions precedent, will result in Oz Brewing acquiring all of the issued capital of 3DG.

Under the terms of the Agreement, the parties are to execute a Share Sale Agreement within 60 days. The consideration for the acquisition is made up as follows:

- Oz Brewing will issue:
 - 1,416,666,667 fully paid ordinary Consideration Shares;
 - 66,666,667 fully paid ordinary Facilitation Shares;
 - 500,000,000 Options, exercisable at \$0.0045 per share and expiring 18 months after Completion; and
 - 250,000,000 Options, exercisable at \$0.006 per share and expiring 24 months after Completion.

The terms of the Agreement to acquire 3DG are subject to due diligence, regulatory approvals and final documentation. Settlement of the purchase of 3DG may require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules, which cannot occur until the Company has received shareholder approval. The Company will make further announcements to the market in relation to re-compliance as required.

Following settlement of the acquisition, the current OZB directors will retire and will be replaced by directors nominated by 3DG.

Under the terms of the Agreement the Company will enter into a Loan Agreement with 3DG to facilitate the advance of funds to 3DG. The amounts advanced are to be repaid to Oz Brewing in certain circumstances should the transaction contemplated by the Agreement not proceed.

Conditions Precedent

The Agreement is subject to a number of conditions as follows:

- i) Oz Brewing successfully completing a capital raising and other requirements in order to facilitate re-compliance with Chapters 1 and 2 of the ASX Listing Rules, if required;
- ii) Oz Brewing and 3DG obtaining all required shareholder and regulatory approvals;
- iii) 3DG Shareholders agreeing to execute the Share Sale Agreement;
- iv) Oz Brewing procuring the resignation of all existing directors; and
- v) Oz Brewing and 3DG completing their due diligence on the other, to their absolute satisfaction.

Due diligence and Risk Factors

The Company will undertake a due diligence process in relation to the acquisition of 3DG. Whilst this process is undertaken to identify or eliminate material risks in relation to 3DG and its business, it should be noted that following completion Oz Brewing will be subject to the usual risks associated with a business operating with the 3D printing industry.

Placement

The Company will undertake a placement to raise \$630,000 at \$0.003 by issuing 210,000,000 shares (“Placement”). The Placement will be completed in two tranches as follows:

- i) Tranche 1 – 60,000,000 Shares at \$0.003 raising \$180,000 will be issued immediately in accordance with the Company’s 15% entitlement pursuant to Listing Rule 7.1; and
- ii) Tranche 2 – 150,000,000 Shares at \$0.003 raising \$450,000 will be issued subject to shareholder approval.

Re-compliance with Chapters 1 And 2 of the ASX Listing Rules

Following execution of the Share Sale Agreement, the Company may be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules prior to being able to settle the purchase. Oz Brewing will call a meeting of shareholders, at which the shareholders will be asked to vote on the proposal to acquire 3DG. If the shareholders approve the transaction to acquire 3DG, the Company’s shares will be suspended from trading on the ASX until the requirements of Chapters 1 and 2 of the ASX Listing Rules have been satisfied.

Proposed Timetable for Reconciliation

	Date*
Execution of Share Sale Agreement	26 September 2014
Dispatch of Notice of Meeting	30 September 2014
Meeting of Shareholders to Approve Acquisition	31 October 2014
Suspension of Company’s Shares from trading on ASX	31 October 2014
Lodgement of Prospectus with ASIC	31 October 2014
Closure of Prospectus	28 November 2014
Satisfaction of all Requirements of Chapters 1 & 2	5 December 2014
Reinstatement to Trading	12 December 2014

* The above dates are indicative only and are subject to change. The Company will keep shareholders updated on the timing of the implementation of the transaction as it progresses

Prospectus Capital Raising

Oz Brewing will prepare and issue a prospectus to raise sufficient funds to enable the reconciliation with Chapters 1 & 2 of the ASX Listing Rules if required. It is anticipated that the Company will raise a minimum of \$3,000,000 in the prospectus capital raising. The capital raising will be conducted at \$0.20 per share in accordance with the requirements of Chapters 1 & 2 of the ASX Listing Rules. Funds raised will be used to purchase equipment, commence marketing and operations of the 3DG business, and to cover the ongoing administration costs of the Company.

Indicative Capital Structure.

In the event that the ASX makes a determination that Oz Brewing is to re-comply with Chapters 1 and 2, the Company may need to reconstruct its capital structure as it will require a capital raising at \$0.20 per share.

The table below reflects the indicative capital structure based on the following assumptions:

1. The final capital structure without reconstruction; and
2. The final capital structure based on a share price of \$0.003 immediately prior to the issuance of the Notice of Meeting. The reconstruction ratio is one share for every 60 held. The Consideration Shares and shares to be issued under the capital raising will also be adjusted by the same ratio;

	Number of Shares (Pre-Reconstruction)	Number of Shares (Post -Reconstruction) ⁽ⁱⁱⁱ⁾
Current Issued Capital	413,830,742	6,897,179
Placement – Tranche 1	60,000,000	1,000,000
Placement – Tranche 2	150,000,000	2,500,000
Consideration Shares	1,416,666,667	23,611,111
Facilitation fee	66,666,667	1,111,111
Debt Conversion Shares ⁽ⁱ⁾	50,000,000	833,333
Shares to be issued in capital raising, completed as part of the recompliance with Chapters 1 & 2 of the ASX Listing Rules	1,000,000,000	16,666,667
Total Shares on Issue following Completion and recompliance ⁽ⁱⁱ⁾	3,157,164,076	52,619,401
Options	750,000,000	12,500,000

- (i) Debt Conversion Shares – subject to shareholder approval 50,000,000 Shares will be issued to retire existing debt of \$150,000
- (ii) The above table and total issued shares after completion of the transaction is indicative only and are subject to change.
- (iii) The reconstruction ratio may change dependent on the Oz Brewing share price at the issuance date of the Notice of Meeting.



David Wheeler
Chairman