



SFE NOTICE NO.

064/08

Date of Issue: 26 May 2008

Effective Date: 23 June 2008

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## Zinifex Limited Proposed Merger with Oxiana Limited – Corporate Actions for ASX Zinifex CFDs

### 1.0 Introduction

Participants are advised of the following implications for ASX Zinifex CFDs (commodity code: **IZK6**) under the scheme proposal by Oxiana Limited (ASX Code: **OXR**). The scheme involves a scrip offer of **3.1931** New Shares in the Merged Group (ASX Code: **OXRN**) for each ZFX share held (ASX Code: **ZFX**). The purpose of this SFE Notice is to describe the position and cash adjustments to be made to open positions in ASX Zinifex CFDs (commodity code **IZK6**).

Participants are to note that the corporate action will change **IZK6** into existing ASX Oxiana CFDs (commodity code: **OXK6**). The underlying will be existing OXR shares and not New Merged Group Shares.

### 2.0 Indicative Timetable

If the merger proceeds, the last day of trading of ZFX shares will be Friday, 20 June 2008.

Note: The Merged Group New Shares will trade under the ASX Code: **OXRN** on a deferred settlement basis from Monday, 23 June 2008 to Friday, 4 July 2008. Normal T+3 settlement trading is expected from Monday, 7 July 2008 when OXRN merges into **OXR**.

The **Effective Date** for the position and cash adjustments for open positions in **IZK6** held at the close of business on the last day of trading of ZFX shares Friday 20 June 2008 will be **Monday, 23 June 2008**.

### Proposed Merged Group New Name

Subsequent to the above scheme being implemented, a Merged Group general meeting of shareholders will be held (indicatively) on Friday 18 July 2008, to approve a new Merged Group name and change, if any, to the ASX code.

### 3.0 Position and Combined Cash Adjustments for the Scrip Offer

The following combination of both position and combined cash adjustments together will occur for open positions in ASX Zinifex CFDs **IZK6** on account of the merger scheme offer.

#### Position Adjustment per Account

$$PA = D \times P \times N$$

Where:

- PA = Position Adjustment amount of ZFX into **OXN** normal trading shares, by substitution by SFECC of the old shares in lieu of new deferred settlement shares **OXRN**, rounded to nearest whole share
- D = Number of New Merged Group Shares OXRN under the **scrip ratio offer, rounded down to nearest whole share**



P = Number of shares per CFD ( this is 1 for a standard Equity CFD)

N = Number of Open CFDs per account

So D = **3.0000 OXR** normal trading shares

Thus **PA = 3 OXK6** for each Open IZK6 per account. So if there are N Open CFDs, the total will be multiplied by N.

Long position holders in IZK6 (at close of business on the day prior to the effective date) will be credited the above position adjustment into OXK6. Short position holders will be debited.

#### Cash Adjustments per Account

There will be a composite set of cash adjustments per account, comprising two cash adjustment calculations. The first for the cash adjustment for the fraction of the scrip ratio entitlement that was rounded off, and the second for the substitution of deferred settlement shares with normal trading shares under the position adjustment.

#### **Cash Adjustment for Scrip Ratio Fraction, CA1:**

$$CA1 = V \times P \times N$$

Where:

CA1 = Cash Adjustment amount following rounding of CFD position adjustment per ZFX share, rounded to nearest 1 cent

V = Market value of the scrip rounding fraction of new Merged Group share, OXRN, using the Closing Single Auction Price (CSAP)

P = Number of shares per CFD ( this is 1 for a standard Equity CFD)

N = Number of Open CFDs per account

so **V = 0.1931 x CSAP** of OXRN shares trading on Monday 23 June 2008.

Thus **CA1 = 0.1931 x CSAP** for each Open IZK6 per account. So if there are N Open, the total will be multiplied by N.

Long position holders in IZK6 (at close of business on the day prior to the effective date) will be credited the above cash adjustments as this was the fractional entitlement rounded off. Short position holders will be debited.

#### **Cash Adjustment for Underlying Substitution, CA2:**

Instead of CFD holders receiving OXRN, SFECC will substitute OXR.

So

**CA2 = 3 x (CSAP of OXR – CSAP of OXRN)** for each Open IZK6 per account. So if there are N Open positions, the total will be multiplied by N.

where multiplication by 3 is for the number of open positions in OXK6 created from 1 open position in IZK6

where CSAP is the closing single auction price on Monday 23 June 2008

Long position holders (at close of business on the day prior to the effective date) will be debited the cash adjustment above because the substituted underlying shares by SFECC is worth more. Conversely, short position holders will be credited the cash adjustment above.



## Composite Cash Adjustment

The combined cash adjustments will be

$$CA = CA1 - CA2$$

Note that long position holders are credited CA1 but debited CA2; vice versa for short position holders.

The net cash adjustments CA will be settled by SFECC on the day following the effective date, ie **Tuesday 24 June 2008**.

### 4.0 Further information

Participants seeking further information in relation to this Notice should contact:

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A handwritten signature in black ink that reads 'David Raper'.

David Raper

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