

ASX Compliance Pty Ltd
Level 4, North Tower
525 Collins Street
Melbourne, Victoria 3000

15 May 2014

New Recapitalisation Proposal

On 18 September 2013 First Growth Funds Limited (“FGF” or the “Company”) provided information to the ASX on an amended recapitalisation proposal, for which it successfully sought shareholder approval at a General Meeting held 27 October 2013.

The proposal included a capital raising at \$0.02 per share through an underwritten Prospectus.

We have recently advised ASX that this proposal has terminated due to the inability of the incoming party to provide proof of funding capability to satisfy the proposed underwriting.

To that end we have today agreed a proposal with Peloton Capital Pty Ltd (“Peloton”). Peloton specialises in providing investment, corporate advisory, mergers and acquisitions, securities trading and wealth management solutions.

Peloton have agreed to raise:

- \$162,000 through the issue of 32,400,000 shares at \$0.005 per share, which is within the Company’s 15% placement capacity; and then
- A minimum of \$2,000,000 through a Prospectus issue of 200,000,000 shares at \$0.01 per share. Each of these shares will have a New Option (Series B) attached to them.

Subject to shareholder approval, 32,400,000 Series A New Options will be issued to the Peloton investors participating in the 15% placement.

There will also be 45,000,000 incentive shares issued to Peloton and/or its Nominees, together with 125,000,000 Series B New Options issued to Peloton. Both of these issues will also be subject to shareholder approval.

Series A Options will be exercisable within 12 months of the Company’s reinstatement at a price of \$0.008.

Series B Options will be exercisable at a price of \$0.02 within 3 years from reinstatement.

Full details of the amended proposal together with relevant considerations for stakeholders will be dispatched to shareholders in the near future, and in accordance with the indicative timetable below. Details of the new capital structure of the Company as it reinstates are detailed below.

The proposal will also result in Board changes once the initial capital raising of \$162,000 is completed. Mr. Geoff Barnes of Peloton Capital will join the Board as Chairman at that point.

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Proposed Timetable for Re-instatement

Dispatch of Notice of Meeting	26 May 2014
Meeting of Shareholders	19 June 2014
Lodgement of Prospectus with ASIC	20 June 2014
Prospectus Opens	27 June 2014
Prospectus Closes	24 July 2014
Issue of Shares and New Options	29 July 2014
Satisfaction of all requirements for Reinstatement	5 August 2014
Re-instatement to Trading	12 August 2014

Capital Structure at Re-instatement

Shareholder Group	Definition of Group	Shares Issued/To Be Issued	Options to be Issued - Series A	Options to be Issued - Series B
Legacy	Those eligible to vote at October 2012 Meeting	23,170,316	23,170,316	
Proponent	Issued at \$0.005 per share to Trident or Nominees Post October 2012	60,000,000	30,000,000	
October 2013 Issue	Issued August – October 2013	83,000,000	83,000,000	
Secured Creditor Issue	Issued August/September 2013	50,000,000		
Peloton Issue	To be issued during May 2014	32,400,000		
Peloton Issue - Options	Issued subject to shareholder approval		32,400,000	
Public Issue	To be issued through Prospectus following General Meeting	200,000,000		200,000,000
Transocean Issue	To be issued for Provision of AFSL		5,000,000	
Incentive Issue	To be issued at Peloton's discretion to assist IPO raise	45,000,000		125,000,000
Total Capital		493,570,316	173,570,176	325,000,000

All Series A and Series B Options will be issued following shareholder approval at the proposed General Meeting.

Should all requisite approvals be obtained and sufficient capital raised, it is anticipated that the Company should be re-instated to trading (subject to satisfaction of ASX conditions) in early August with approximately \$1,900,000 cash at bank.

Yours sincerely,



Simon Lill
Director