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FIRST GROWTH FUNDS LIMITED

ACN 006 648 835

NOTICE OF GENERAL MEETING

TIME: 10am (EST)

DATE: Wednesday 30 July 2014

PLACE: To be held at: the offices of
Leadenhall Australia Pty Ltd
Level 1, 31 Franklin Street,
Adelaide SA 5000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 8179 2800.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 10am EST on 30 July 2014 at:

The offices of Leadenhall Australia Pty Ltd
 Level 1, 31 Franklin Street,
 Adelaide SA 5000

YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10am (EST) on 28 July 2014.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and

- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – ISSUE OF SERIES A NEW OPTIONS TO CLIENTS OF PELOTON CAPITAL

To consider, and if thought fit, to pass, with or without amendment the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of 32,400,000 Series A New Options to clients of Peloton Capital Pty Ltd and otherwise on the terms and conditions detailed in the accompanying Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions 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.

2. RESOLUTION 2 – ISSUE OF SECURITIES UNDER THE PUBLIC OFFER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 300,000,000 Shares, at an issue price of \$0.01 per Share together with one (1) free attaching Series B New Option for every one (1) Share issued, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions 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.

3. RESOLUTION 3 – ISSUE OF SERIES A NEW OPTIONS TO TRANSOCEAN SECURITIES PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 5,000,000 Series A New Options to Transocean Securities Pty Ltd and/or its nominees, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions 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. RESOLUTION 4 – ISSUE OF INCENTIVE SECURITIES – GEOFF BARNES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of sections 195(4) and 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval be and is hereby given to allow the Company to issue up to 6,000,000 Shares, together with one (1) free attaching Series B New Option for every one (1) Share issued, at an issue price of not less than \$0.0001 each to Mr Geoff Barnes and/or his nominees under the Prospectus and otherwise as detailed in the accompanying Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Geoff Barnes (or his nominees) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions 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.

5. RESOLUTION 5 – ISSUE OF INCENTIVE SECURITIES – ATHAN LEKKAS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of sections 195(4) and 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval be and is hereby given to allow the Company to issue up to 6,000,000 Shares together with one (1) free attaching Series B New Option for every one (1) Share issued, at an issue price of not less than \$0.0001 each to Mr Athan Lekkas and/or his nominee under the Prospectus and otherwise as detailed in the accompanying Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Athan Lekkas (or his nominees) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions 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.

6. RESOLUTION 6 – ISSUE OF INCENTIVE SECURITIES – JOE CALABRIA

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of sections 195(4) and 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval be and is hereby given to allow the Company to issue up to 6,000,000 Shares together with one (1) free attaching Series B New Option for every one (1) Share issued, at an issue price of not less than \$0.0001 each to Mr Joe Calabria and/or his nominee under the Prospectus and otherwise as detailed in the accompanying Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Joe Calabria (or his nominees) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who

is entitled to vote, in accordance with the directions 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.

7. RESOLUTION 7 – RIGHT TO APPLY IN RESPECT OF THE PUBLIC OFFER – GEOFF BARNES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 2, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be and is hereby given to allow the Company to issue up to 20,000,000 Shares together with one (1) free attaching Series B New Option for every one (1) Share issued to Mr Geoff Barnes and/or his nominee under the Public Offer and otherwise as detailed in the accompanying Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Geoff Barnes (or his nominees) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions 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.

8. RESOLUTION 8 – RIGHT TO APPLY IN RESPECT OF THE PUBLIC OFFER – JOE CALABRIA

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 2, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be and is hereby given to allow the Company to issue up to 5,000,000 Shares together with one (1) free attaching Series B New Option for every one (1) Share issued to Mr Joe Calabria and/or his nominee under the Public Offer and otherwise as detailed in the accompanying Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Joe Calabria (or his nominees) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions 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.

9. RESOLUTION 9 – RIGHT TO APPLY IN RESPECT OF THE PUBLIC OFFER – ATHAN LEKKAS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 2, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be and is hereby given to allow the Company to issue up to 5,000,000 Shares together with one (1) free attaching Series B New Option for every one (1) Share issued to Mr Athan Lekkas and/or his nominee under the Public Offer and otherwise as detailed in the accompanying Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Athan Lekkas (or his nominees) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions 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.

10. RESOLUTION 10 – RIGHT TO APPLY IN RESPECT OF THE PUBLIC OFFER – MICHAEL CLARKE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 2, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be and is hereby given to allow the Company to issue up to 5,000,000 Shares together with one (1) free attaching Series B New Option for every one (1) Share issued to Mr Michael Clarke and/or his nominee under the Public Offer and otherwise as detailed in the accompanying Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Michael Clarke (or his nominees) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions 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.

11. RESOLUTION 11 – ISSUE OF SERIES A NEW OPTIONS TO EXISTING SHAREHOLDERS – EXISTING SHAREHOLDER PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 136,170,316 Series A New Options to Existing Shareholders or their nominees on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions 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.

12. RESOLUTION 12 – PARTICIPATION IN THE EXISTING SHAREHOLDER PLACEMENT – ATHAN LEKKAS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 11, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 4,800,000 Series A New Options to Athan Lekkas or his nominees on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Athan Lekkas (or his nominees) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions 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.

13. RESOLUTION 13 – PARTICIPATION IN THE EXISTING SHAREHOLDER PLACEMENT – JOE CALABRIA

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 11, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 7,100,000 Series A New Options to Joe Calabria or his nominees on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Joe Calabria (or his nominees) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions 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.

14. RESOLUTION 14 – PARTICIPATION IN THE EXISTING SHAREHOLDER PLACEMENT – MICHAEL CLARKE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 11, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,000,000 Series A New Options to Michael Clarke or his nominees on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Michael Clarke (or his nominees) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions 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.

15. RESOLUTION 15 – ISSUE OF SERIES B NEW OPTIONS TO PELOTON CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 75,000,000 Series B New Options to Peloton Capital and/or its nominees on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Peloton Capital Pty Ltd (or its nominees) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions 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.

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16. RESOLUTION 16 – ISSUE OF INCENTIVE SECURITIES – PELOTON CAPITAL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be and is hereby given to allow the Company to issue up to 27,000,000 Shares, together with one (1) free attaching Series B New Option for every one (1) Share issued, at an issue price of not less than \$0.0001 each to Peloton Capital and/or its nominees under the Prospectus and otherwise as detailed in the accompanying Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Peloton Capital (or its nominees) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions 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.

DATED: 30 JUNE 2014

BY ORDER OF THE BOARD



**GEOFF BARNES
DIRECTOR
FIRST GROWTH FUNDS LIMITED**

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EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

In considering the resolutions, Shareholders must bear in mind the current financial circumstances of the Company.

If Resolutions 1 to 16 are passed and the recapitalisation proposal is completed, the Company will be in a position to seek the reinstatement of its Shares to official quotation on ASX. This reinstatement is, of course, subject to the discretion of ASX, however the Company has received confirmation from ASX that it will, subject to certain conditions, allow reinstatement of the Shares to official quotation.

If Shareholders reject the proposed restructuring, the future of the Company is uncertain. A possibility is that the Company may be placed into liquidation. In this circumstance, it is likely that there would be no return to Shareholders.

1. OVERVIEW

1.1 Background

On 17 July 2011, FGF was placed into voluntary administration and Mr Michael Basedow of Pitcher Partners was appointed as the Company's administrator (**Administrator**). The securities of the Company were subsequently suspended from trading on the Official List of the ASX.

A syndicate led by Trident Capital Pty Ltd (**Trident** or the **Proponent**) proposed a deed of company arrangement (**DOCA**) to deal with the claims of creditors and the DOCA was approved by creditors on 30 January 2012 and executed on 20 February 2012 and the Administrator was appointed the administrator of the DOCA (**Deed Administrator**).

The proposal was then put to shareholders and approved at a general meeting held on 1 October 2012.

Due to prevailing market conditions following that Meeting, the Company was unable to raise sufficient funds to meet the terms of its original proposal.

A further recapitalisation proposal was put to Shareholders, and approved by them, on 24 October 2013. That recapitalisation proposal was reliant upon a third party who had contracted to provide the required capital under the Terms and Conditions put to shareholders. The proposal was terminated in early May as a result of that party's failure to perform.

However, the proposal did raise additional capital for the Company such that the Company was able to effectuate the DOCA by making an agreed payment to the Creditors. The DOCA was effectuated on 21 October 2013. This resulted in the Deed Administrator retiring and the Company being returned to the control of the Shareholders and their representatives, the Board.

The associated Reconstruction Deed expired on December 31 2013.

1.2 Recapitalisation Proposal

On 15 May 2014 the Company and Peloton Capital entered into an agreement which embodied a proposal by Peloton Capital for the recapitalisation of the Company (**Recapitalisation Proposal**).

A summary of the Recapitalisation Proposal is set out below:

- (a) The Company has recently issued 32,400,000 Shares at an issue price of \$0.005 to raise \$162,000 (**Peloton Raising**).

These funds have been used to repay some outstanding creditors and as general working capital to further advance the Company's plans for recapitalisation and reinstatement to trading on the ASX.

- (b) Subject to Shareholder approval, the Company will proceed with the following issues of Securities:

- (i) 32,400,000 Series A New Options to the clients of Peloton Capital who participated in the previous Peloton Raising, being one Series A New Option for every Share issued under the Peloton Raising (**Peloton Option Placement**) (Resolution 1);

- (ii) a capital raising to be undertaken by the Company pursuant to a prospectus (**Prospectus**) for the offers of:

- (A) up to 300,000,000 Shares at a price of \$0.01 per Share to raise up to \$3,000,000, together with one free attaching Series B New Option for every one Share issued (**Public Offer**) (Resolution 2);

- (B) up to 18,000,000 Shares at an issue price of \$0.0001 and 18,000,000 free attaching Series B New Option for every one Share issued to Geoff Barnes, Athan Lekkas and Joe Calabria (or their nominees) (**Director Incentive Securities**) (Resolutions 4, 5 and 6);

- (C) up to 27,000,000 Shares at an issue price of \$0.0001, together with one free attaching Series B New Option for every one Share issued to Peloton Capital (or its nominee) (**Peloton Incentive Securities**) (Resolution 16),

(together the **Capital Raising**);

- (iii) 5,000,000 Series A New Options issued to Transocean Securities Pty Ltd as part of a fee previously agreed for the provision of Transocean's Australian Financial Services Licence. (**Transocean Placement**) (Resolution 3);

- (iv) a total of 136,170,316 Series A New Options to be issued to existing shareholder groups as follows (Resolution 11):

- (A) 23,170,316 to Legacy Shareholders;

- (B) 30,000,000 to Proponent Shareholders; and

- (C) 83,000,000 to 2013 Shareholders.

- (v) up to 75,000,000 Series B New Options to be issued to Peloton Capital Pty Ltd (or its nominees) (Resolution 15).
- (c) A capital raising fee of 6% of funds raised under the Public Offer (up to \$180,000 assuming full subscription under the Public Offer) will be paid to any licensed securities brokers involved in the raising.
- (d) FGF will retain all of its assets and main business undertaking.
- (e) It is intended that the existing Board of Directors will remain post-reinstatement.
- (f) After the recapitalisation is complete the Company will be debt free.

The terms and conditions of the Series A New Options are set out in Schedule 1. The Series A New Options will be exercisable at \$0.008 within 12 months from the date of the Company's Reinstatement.

The terms and conditions of the Series B New Options are set out in Schedule 2. The Series B New Options will be exercisable at \$0.02 within 3 years from the date of the Company's Reinstatement.

The following table sets out a summary of the above issues of Securities:

| Issue | Explanation | Relevant Resolutions | Shares Issued/To be issued | Option Issue Ratio One for: | Options to be Issued (Series A) | Options to be Issued (Series B) |
|--------------------------|---|----------------------|--------------------------------|-----------------------------|---------------------------------|---------------------------------|
| Legacy Shareholders | Those eligible to vote at October 2012 General Meeting | 11 | 23,170,316 (previously issued) | 1 | 23,170,316 | |
| Proponent Shareholders | Issued at a price of \$0.005 per share to Trident or its nominees post October 2012 | 11 | 60,000,000 (previously issued) | 2 | 30,000,000 | |
| 2013 Shareholders | Issued during August/September 2013 as approved at October General Meeting | 11 | 83,000,000 (previously issued) | 1 | 83,000,000 | |
| Secured Creditor | Issued to Secured Creditor and Nominees | - | 50,000,000 (previously issued) | 0 | | |
| Peloton Raising | Issued to Peloton Investors in May 2014 | - | 32,400,000 (previously issued) | | | |
| Peloton Option Placement | To be issued to clients of Peloton Capital who participated in the Capital Raising | 1 | | | 32,400,000 | |
| Public Offer | To be issued through Prospectus (assuming the Public Offer is fully subscribed) | 2,7,8,9,10 | 300,000,000 | 1 | | 300,000,000 |
| Director | To be issued to | 4,5,6 | 18,000,000 | 1 | | 18,000,000 |

| | | | | | | |
|------------------------------|---|----|--------------------|---|--------------------|--------------------|
| Incentive Securities | Directors, Mr Barnes, Mr Calabria and Mr Lekkas | | | | | |
| Peloton Incentive Securities | To be issued at the discretion of Peloton | 16 | 27,000,000 | 1 | | 27,000,000 |
| Peloton Options | To be issued to Peloton Capital | 15 | | | | 75,000,000 |
| Transocean Options | To be issued for the provision of the AFSL | 3 | | | 5,000,000 | |
| Total | | | 593,570,316 | | 173,570,316 | 420,000,000 |

The Company's Director, Geoff Barnes, is a director and shareholder of Peloton Capital and accordingly Peloton Capital is a related party of the Company.

The intended use of funds and the Company's future strategy remain the same. Furthermore, the Company's main business undertaking and assets remain unchanged.

Completion of the Recapitalisation Proposal will provide working capital to allow the Company to continue its existing activities and to pursue new projects by way of acquisition or investment. Subject to the satisfaction of certain conditions imposed by the ASX, FGF will then be in a position to have its Securities reinstated to trading on the Official List of the ASX.

Pursuant to this Notice the Company is additionally seeking Shareholder approval for Directors, Mr Geoff Barnes, Mr Joe Calabria and Mr Athan Lekkas to participate in the Public Offer (Resolutions 6, 7 and 8) and for Directors, Mr Joe Calabria, Mr Athan Lekkas and Mr Michael Clarke to participate in the Existing Shareholder Placement (Resolutions 12, 13 and 14).

1.3 Historical Activities and Proposed Business Plan

Background

First Growth Funds, prior to being placed into Administration in July 2011, managed three key investments in carbon credits, telephony and video cards, in keeping with its history of managing interests in a range of investment activities.

Prior to Administration, and since its incorporation in October 1986, FGF has been a Listed Investment Company ("LIC"), a Company listed on the Stock Exchange to provide investors with exposure to a professionally managed and diversified portfolio of assets.

On 7 February 2000 the Company changed its name to 'M2M Corporation Limited' as the Company's investment portfolio at that time was in specific technologies in the business-to-business electronic commerce sector. However, the Company continued to invest in businesses that utilised its technology which included the mining, agrifood and agribusiness sectors.

On the 29th October 2004 the Company announced its intent to acquire a 25.1% stake in Digital Voodoo through investing \$600,000 in that Company. The funds to invest in Voodoo were provided by a share placement at \$0.007 per share in m2m to raise \$1.0M. Both the acquisition and placement were subject to shareholder approval, which was duly sought and received.

On the 23rd December 2004 the Company announced to the ASX that it would complete the acquisition of its 25.1% interest in Digital Voodoo on 31 December 2004.

Digital Voodoo designs, develops and markets a range of standard definition and high definition video cards and compression technology for use in the digital content creation and broadcast industries.

Digital Voodoo changed its name to Bluefish Technologies Pty Limited ("Bluefish") during 2006, and continues to operate under that name and in the digital video card business – a business estimated at ~ US\$10Bn per annum and growing at a rate of ~ 8% to 10% per annum. FGF has retained and increased its interest in Bluefish since its initial investment at the end of 2004. FGF, at the time it was placed in Administration, owned 33.4% of Bluefish.

Through transactions entered into by the Administrator the equity interest in Bluefish has diluted to 24.54% as a result of a debt to equity swap by existing debt holders, together with a significant investor acquiring an interest in Bluefish. The Company's interest in Bluefish survives the administration and there is more specific information below.

The Bluefish Asset

At the date of the Appointment of the Administrator, FGF held 68,192,759 shares in Bluefish and had advanced secured funds totalling approximately \$530,000 to Bluefish.

The Administrator, in his report to Creditors of 19 January 2012, deemed the realization of the asset at a reasonable value unlikely as:

- (a) Bluefish was then trading unprofitably and in the event that it was required to liquidate its assets would be unlikely to raise sufficient funds to repay its creditors' in full;
- (b) The Secured loan was part of a syndicated loan to Bluefish from FGF and other shareholders such that there was no provision whereby FGF may demand repayment of that loan;
- (c) It would be difficult to identify a buyer for FGF's shareholding in that environment, having regard to Bluefish's trading history and debt;
- (d) The existing shareholders enjoy pre-emptive rights over each other's shareholdings in Bluefish.

Prior to issuing the report the working capital requirements of Bluefish became critical and a proposal was put to all secured creditors of Bluefish to convert their secured debt to equity in order for Bluefish to seek and obtain a further injection of capital from a new investor.

All secured creditors of Bluefish agreed at this point and FGF was issued with a further 478,607,120 shares in Bluefish. As it had a larger proportion of secured debt relative to its equity interest at that point it increased its interest in Bluefish from 33.66% to 36.75%.

Bluefish, with the Administrators approval, then introduced a new cornerstone investor being VITEC Multimedia of France, a company with a long history in electronic media dating back to 1988. VITEC invested \$250,000 for a 17% interest

in Bluefish, with an option to move to 49% of Bluefish through the payment of a further \$950,000 in certain tranches.

Since that initial \$250,000 investment in Bluefish, VITEC have invested a further \$250,000 in May of 2012 and \$100,000 in July 2012. As a result of these investments FGF has retained its interest in 516,799,879 shares in Bluefish, which has been diluted to 24.54% of the issued capital of Bluefish. VITEC now hold 699,723,444 (33.23%) of Bluefish and have the right to acquire up to 49.95% of the Company.

The investment of VITEC attributes a value of \$440,000 to the FGF shareholding in Bluefish. The Company has no reason to adjust the value of this asset.

VITEC are seen as a valuable and significant equity partner in the Bluefish business and one that should assist the Company to increase and unlock the value of its Bluefish investment in the future.

FGF's interest in Bluefish has always been passive. That will not change into the future, with VITEC demonstrating its willingness to fund the Bluefish business plan by having exercised part of its option to increase its shareholding from 17% to 33% and particularly more so if it increases its interest to 49.95%.

Future Business Plans

On the completion of the recapitalisation of the Company, the Company will retain the following assets:

- (a) a 24.54% shareholding interest in Bluefish; and
- (b) its status on the ASX as a Listed Investment Company.

The Company plans to retain its Bluefish asset, and to continue as a Listed Investment Company (**LIC**), seeking additional investment opportunities in a variety of asset classes, be they in listed or unlisted companies, in which it either believes they are significantly undervalued, or where it believes it can add value through investment and management expertise.

The Company will seek small investments, of not greater than \$500,000, in unlisted entities that it deems have significant upside and have the potential to be listed. As such it proposes to act as an incubator for small companies that can then be taken to a Stock Exchange Listing, and then to support those companies post Stock Exchange Listing.

Secured Creditor

At the date of being placed under Administration, the Company was indebted to the Secured Creditor, as accepted by the Administrator, in the amount of \$1,371,884.82. Pursuant to the terms of the DOCA and the Reconstruction Deed, and following shareholder approval, the Secured Creditor agreed to the following arrangement in respect of this debt:

- (a) The Secured Creditor will discharge and release its registered fixed and floating charge (ASIC registration number 1586961) over the Company's assets.
- (b) In substitution for the above fixed and floating charge, the Company will:

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- (i) Issue the Secured Creditor or nominees 50 million shares, with New Options attaching on a one for one basis, in FGF; and
 - (ii) grant the Secured Creditor a security interest in the Bluefish shares held by the Company as collateral for repayment of the moneys owed to the Secured Creditor, limited to \$800,000 ("Security Interest") as well as 50% of any proceeds from the Bluefish shares over and above the \$800,000 (see below). Importantly, the Security Interest does not encumber the other assets of the Company other than the Bluefish shareholding and the Secured Creditor has no rights to any other asset of the Company.
- (c) Any dividends paid, or any other fee, consideration or other amount received from or in respect of Bluefish, including any sale consideration received by the Company arising from a sale of Bluefish shares, are to be paid to the Secured Creditor as follows:
- (i) Up to the amount of \$800,000 after which the Secured Creditor must deregister the Security Interest; and
 - (ii) 50% of any further value received by FGF for the sale. For example if a sale was achieved of \$1.0 million for the FGF interest in Bluefish, then the Secured Creditor would receive \$800,000 plus 50% of \$200,000 for a total of \$900,000. The remaining \$100,000 would be received by the Company.
- (d) There is no requirement for the Company to contemplate selling its interest in Bluefish for an initial period of 18 months from Reinstatement.
- (e) After a period of 18 months from Reinstatement, the Secured Creditor may compel the Company to either sell its Bluefish shares or pay to the Secured Creditor the balance of the amount secured by the Security Interest.
- (f) If the Company does not sell, or is not able to sell, the Bluefish shares, and if the Company does not wish to pay the Secured Creditor the Security Interest, then the Company can transfer its interests in Bluefish to the Secured Creditor, subject to shareholder pre-emptive rights.
- (g) The Secured Creditor must release the Company from all Claims other than in respect of its rights under the Security Interest.
- (h) It is important to note that the Company's liability in respect of this asset is limited to the sale value of the Bluefish shares and to \$800,000. If the shares are eventually sold for a lesser figure than the \$800,000, with approval of, or demand from, the Secured Creditor, then the Company will have no further liability to the Secured Creditor.

As such, the Company's principal asset (i.e. Bluefish shares) following recapitalisation will be subject to a registered security and the Company may eventually be required to liquidate that asset (or chose to pay the sum of \$800,000) on demand by the Secured Creditor. Accordingly, the Company's tenure over the Bluefish shares is not absolute and the Company will not receive dividends or other distributions from those shares until it has repaid the \$800,000 liability to the Secured Creditor.

To allow the Company to remove the Administrators and to be returned to control of shareholders and the Board, the Secured Creditor has relinquished its Fixed and Floating Charge over the assets of the Company, and now has specific security over the asset of the Bluefish shares.

1.4 Capital Raising

The Company will, following all of the Resolutions being passed, undertake the Public Offer and the offers of the Director Incentive Securities and the Peloton Incentive Securities to raise up to \$3,004,500.

The funds raised will enable the recapitalisation of the Company to be completed and enable the Company to meet its initial objectives and proposed expenditure plans.

The Company will make an application to ASX for its Securities to be reinstated to trading on the official list of ASX.

The purpose of the capital raising is to:

- (a) fund the Company's on-going operations;
- (b) provide funds to develop the Company's existing business; and
- (c) provide funds for the acquisition and development of other investments, as identified by the Company.

1.5 Use of Funds – Expenditure Budget

If the Recapitalisation Proposal is completed, an indicative two year expenditure budget for the Company's current cash reserves of approximately \$175,987 (as set out in Schedule 3) and the funds raised under the Capital Raising (\$1,504,500 assuming Minimum Subscription and \$3,004,500 assuming Full Subscription) is set out below:

| Item | Minimum Subscription (\$1,500,000) | | Full Subscription (\$3,000,000) | |
|---|---------------------------------------|------------------|------------------------------------|--------------------|
| | Year 1 | Year 2 | Year 1 | Year 2 |
| Starting Cash Balance | \$1,680,487¹ | \$715,487 | \$3,180,487² | \$1,625,487 |
| Legal fees associated with the recapitalisation process | \$40,000 | N/A | \$40,000 | N/A |
| Costs of Shareholder Meeting | \$25,000 | N/A | \$25,000 | N/A |
| Preparation of outstanding statutory accounts | \$50,000 | N/A | \$50,000 | N/A |
| Capital Raising Fees | \$90,000 | N/A | \$180,000 | N/A |
| Review and expenditure on new projects | \$500,000 | \$400,000 | \$1,000,000 | \$1,000,000 |
| Review and development of existing | \$60,000 | \$50,000 | \$60,000 | \$200,000 |

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| | | | | |
|-----------------------------|------------------|------------------|--------------------|--------------------|
| business | | | | |
| Working capital | \$200,000 | \$200,000 | \$200,000 | \$200,000 |
| Total Expenditure | \$965,000 | \$650,000 | \$1,555,000 | \$1,350,000 |
| Closing Cash Balance | \$715,487 | \$65,487 | \$1,625,487 | \$275,487 |

Notes:

1. Assumes Minimum Subscription of \$1,500,000 and includes the \$4,500 to be raised from the issue of Incentive Securities and current cash reserves at set out in Schedule 3; and
2. Assumes Maximum Subscription of \$3,000,000 and includes the \$4,500 to be raised from the issue of Incentive Securities and current cash reserves at set out in Schedule 3.

In the event the Company raises more than the Minimum Subscription of \$1,500,000, the additional funds raised will be first applied towards review and expenditure on new projects in line with the Company's current business plan as set out above.

1.6 Proposed Capital Structure at Re-instatement

Assuming Minimum Subscription

| Shareholder Group | Notes | Issued/To be issued | Shares | Series A New Options | Series B New Options |
|---------------------------------|-------|---------------------------------------|--------------------|----------------------|----------------------|
| Legacy Shares | 1 | Issued | 23,170,316 | | |
| Proponent Shares | 2 | Issued | 60,000,000 | | |
| October 2013 Issue | 3 | Issued | 83,000,000 | | |
| Secured Creditor Issue | 4 | Issued | 50,000,000 | | |
| Peloton Offer | 5 | Issued | 32,400,000 | | |
| Total at Date of Meeting | | | 248,570,316 | Nil | Nil |
| Peloton Option Placement | 6 | To be issued (Resolution 1) | | 32,400,000 | |
| Public Offer | 7 | To be issued (Resolution 2) | 150,000,000 | | 150,000,000 |
| Director Incentive Securities | 8 | To be issued (Resolutions 4, 5 and 6) | 18,000,000 | | 18,000,000 |
| Peloton Incentive Securities | 9 | To be issued (Resolution 16) | 27,000,000 | | 27,000,000 |
| Existing Shareholder Placement | 10 | To be issued (Resolution 11) | | 136,170,316 | |
| Peloton Options | 11 | To be issued (Resolution 15) | | | 75,000,000 |
| Transocean Fee | 12 | To be issued (Resolution 3) | | 5,000,000 | |
| Total | | | 443,570,316 | 173,570,316 | 270,000,000 |

Assuming Full Subscription

| Shareholder Group | Notes | Issued/To be issued | Shares | Series A Options to be issued | Series B Options to be issued |
|---|-------|---------------------------------------|--------------------|-------------------------------|-------------------------------|
| Legacy Shares | 1 | Issued | 23,170,316 | | |
| Proponent Shares | 2 | Issued | 60,000,000 | | |
| October 2013 Issue | 3 | Issued | 83,000,000 | | |
| Secured Creditor Issue | 4 | Issued | 50,000,000 | | |
| Peloton Offer | 5 | Issued | 32,400,000 | | |
| Total Issued Shares at Date of Meeting | | | 248,570,316 | | |
| Peloton Options | 6 | To be issued (Resolution 1) | | 32,400,000 | |
| Public Offer | 7 | To be issued (Resolution 2) | 300,000,000 | | 300,000,000 |
| Director Incentive Securities | 8 | To be issued (Resolutions 4, 5 and 6) | 18,000,000 | | 18,000,000 |
| Peloton Incentive Securities | 9 | To be issued (Resolution 16) | 27,000,000 | | 27,000,000 |
| Existing Shareholder Placement | 10 | To be issued (Resolution 11) | | 136,170,316 | |
| Peloton Options | 11 | To be issued (Resolution 15) | | | 75,000,000 |
| Transocean Fee | 12 | To be issued (Resolution 3) | | 5,000,000 | |
| Total | | | 593,570,316 | 173,570,316 | 420,000,000 |

Notes:

- Legacy Shareholders being those Shareholders of the Company that were eligible to vote at the October 2012 Meeting;
- Proponent Shareholders being those Shareholders who were issued Shares at \$0.005 per Share immediately following the October 2012 Shareholder Meeting and as approved at that shareholder meeting;
- 2013 Shareholders being those Shareholders issued Shares immediately following the October 2013 Shareholder Meeting and as approved at that Shareholder meeting;
- Shares issued to the Secured Creditor as approved at the October 2013 Shareholders Meeting;
- Shares issued to clients of Peloton Capital during May 2014;
- To be issued, subject to Shareholder approval, to at the discretion of Peloton Capital to clients of Peloton Capital;

7. To be issued, subject to Shareholder approval, through the Prospectus under a Public Offer;
8. To be issued, subject to Shareholder approval, through the Prospectus to Directors for past and future services;
9. To be issued, subject to Shareholder approval, to Peloton Capital or its nominees in relation to assisting with the Reinstatement and Capital Raising;
10. To be issued, subject to Shareholder approval, to Existing Shareholders as identified in Notes 1, 2 and 3 above, and as previously approved by Shareholders at the October 2013 Shareholder Meeting;
11. To be issued, subject to Shareholder approval, to Peloton Capital or its nominees in relation to assisting with the Reinstatement and Capital Raising; and
12. To be issued, subject to Shareholder approval, to Transocean as part of a previous agreement entered between the Company and Transocean for the provision of their AFSL and as previously approved at October 2013 Shareholder Meeting.

1.7 Pro-forma Statement of Financial Position

An unaudited pro-forma statement of financial position for the Company assuming completion of the Recapitalisation Proposal is set out in Schedule 3 of this Notice.

1.8 Indicative Timetable

| | Date |
|--|------------------|
| Dispatch of Notice of Meeting to Existing Shareholders | 30 June 2014 |
| General Meeting of Existing Shareholders | 30 July 2014 |
| Lodgement of Prospectus with ASIC | 1 August 2014 |
| Prospectus Offer Opens | 8 August 2014 |
| Prospectus Offer Closes | 25 August 2014 |
| Issue of all New Shares and New Options | 28 August 2014 |
| Satisfaction of all Requirements for Reinstatement | 1 September 2014 |
| Reinstatement to trading on the ASX | 8 September 2014 |

1.9 Board of Directors

The existing Board of Directors will remain post-Reinstatement.

1.10 Quotation of New Shares on ASX

The Company is already admitted to the Official List. However, trading in the Company's Shares was suspended on 18 July 2011. Following completion of the Recapitalisation Proposal, the Company will apply to have its Shares reinstated to trading on the Official List, including applying for quotation of the Shares offered under the Recapitalisation Proposal.

Reinstatement to the Official List is at the discretion of ASX and will be subject to compliance with ASX regulatory requirements.

1.11 Financial Liabilities

The Secured Creditor retains security over the Company's interest in Bluefish Pty Ltd to the extent of the value of that asset to a maximum of \$800,000. The Secured Creditor has no security over any other assets of the Company, and the Company's Liability to the Secured Creditor is limited to the value of the Bluefish shares.

On Reinstatement there will be no additional liabilities to the Company as it will have used part of the capital raised to repay all outstanding creditors.

2. RESOLUTION 1 – ISSUE OF SERIES A NEW OPTIONS TO CLIENTS OF PELOTON CAPITAL

2.1 General

As announced on 28 May 2014, the Company issued 32,400,000 Shares to clients of Peloton Capital under the Peloton Raising to raise \$162,000. The Company has also agreed, subject to Shareholder approval, to issue the clients of Peloton Capital who participated in the Peloton Raising with 32,400,000 Series A New Options, being one Series A New Option for every Share issued under the Peloton Raising (**Peloton Option Placement**).

Resolution 1 seeks Shareholder approval for the issue up to 32,400,000 Series A New Options under the Peloton Option Placement.

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 issue at the commencement of that 12 month period.

The effect of Resolution 1 will be to allow the Company to issue the 32,200,000 Series A New Options to clients of Peloton Capital pursuant to the Peloton Option Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

2.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Peloton Option Placement.

- (a) the maximum number of Series A New Options to be issued under this resolution is 32,200,000;
- (b) the Series A New Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Series A New Options will be issued for nil cash consideration to those clients of Peloton who participated in the Peloton Raising;
- (d) the Series A New Options issued will be issued on the terms and conditions as set out in Schedule 1; and

- (e) no funds will be raised from the Peloton Option Placement as the Options are being issued in to those clients of Peloton who participated in the Peloton Raising.

3. RESOLUTION 2 – ISSUE OF SECURITIES UNDER THE PUBLIC OFFER

3.1 General

Resolution 2 is an ordinary resolution and seeks Shareholder approval for the issue of up to 300,000,000 Shares together with one free attaching Series B New Options for every Share issued to raise up to a total of \$3,000,000 (before costs) (**Public Offer**). The minimum subscription for the Public Offer will be 150,000,000 Shares to raise \$1,500,000.

The Company intends to lodge a prospectus for the Public Offer with ASIC mid-July 2014 (**Prospectus**).

A summary of ASX Listing Rule 7.1 is set out in Section 2.1 above.

The effect of Resolution 2 will be to allow the Directors to issue the Shares pursuant to the Public Offer through the Prospectus during the period of 3 months after the Meeting (or a longer period if allowed by ASX), without using the Company's 15% annual placement capacity.

3.2 Technical information required by ASX Listing Rule 7.3

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 is 300,000,000, together with 300,000,000 Series B New Options;
- (b) the Shares and Series B New Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Series B New Options will occur on the same date;
- (c) the issue price of the Shares will be \$0.01 per Share;
- (d) the issue price of the Series B New Options will be nil as they will be issued free attaching with the Shares on a 1:1 basis;
- (e) the Shares will be issued to both retail and sophisticated investors. Some of these investors may be related parties in accordance with Resolutions 7, 8, 9 and 10;
- (f) the Directors will have final determination as to whom the Shares and Series B New Options will be issued;
- (g) 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;
- (h) the Series B New Options will be issued on the terms and conditions set out in Schedule 2 ; and

- (i) the Company intends to use the funds raised (\$1,500,000 assuming the Minimum Subscription and \$3,000,000 assuming the Full Subscription) from the Public Offer for the purposes as set out in Section 1.5 of this Notice.

Further details of the Public Offer and the use of funds will be set out in the Prospectus that will be issued in respect of the Public Offer.

4. RESOLUTION 3 – ISSUE OF SERIES A NEW OPTIONS TO TRANSOCEAN SECURITIES PTY LTD

4.1 General

In part consideration for the previous provision of Transocean Securities Pty Ltd (**Transocean**) Australian Financial Services Licence for the use of the Company, it has been agreed that the Company will issue, subject to Shareholder approval, 5,000,000 Series A New Options to Transocean and/or its nominees (**Transocean Placement**).

The issue of Options pursuant to the Transocean Placement was previously approved by Shareholders at the October 2013 Shareholders Meeting, however the Options were not issued within the period of 3 months as required by the ASX Listing Rules.

Neither Transocean nor its nominees will be related parties of the Company.

A summary of ASX Listing Rule 7.1 is summarised in Section 2.1 above.

The effect of Resolution 3 will be to allow the Directors to issue the Series A New Options pursuant to the Transocean Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 Technical information required by ASX Listing Rule 7.3

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

- (a) the maximum number of Series A New Options to be issued is 5,000,000;
- (b) the Series A New Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Series A New Options will be issued for nil cash consideration in satisfaction of services provided by Transocean in relation to the Company's previous capital raising and the provision of Transocean's Australian Financial Services Licence and accordingly no funds will be raised;
- (d) the Series A New Options issued will be issued on the same terms and conditions set out in Schedule 1; and
- (e) the Series A New Options will be issued to Transocean and its nominees and these persons will not be related parties of the Company.

5. RESOLUTIONS 4, 5 AND 6 – ISSUE OF DIRECTOR INCENTIVE SECURITIES TO MR GEOFF BARNES, MR LEKKAS AND MR CALABRIA

5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue up to 18,000,000 Shares together with one free attaching Series B New Option for every Share issued (**Director Incentive Securities**) to Geoff Barnes, Athan Lekkas and Joe Calabria (or their nominees) (**Related Parties**) on the terms and conditions set out below.

The Company proposes to issue, under the Prospectus, the Director Incentive Securities as follows:

- (a) 6,000,000 Shares together with 6,000,000 free attaching Series B New Options to Geoff Barnes or his nominee (Resolution 4);
- (b) 6,000,000 Shares together with 6,000,000 free attaching Series B New Options to Mr Athan Lekkas or his nominee (Resolution 5); and
- (c) 6,000,000 Shares together with 6,000,000 free attaching Series B New Options to Mr Joe Calabria or his nominee (Resolution 6).

5.2 Requirements under Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Director Incentive Securities constitutes giving a financial benefit and Mr Geoff Barnes, Mr Athan Lekkas and Mr Joe Calabria are related parties of the Company by virtue of being Directors.

ASX Listing Rule 10.11

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Director Incentive Securities to the Related Parties.

5.3 Background to the issues of Director Incentive Securities

Remuneration Policy

The performance of the Company depends upon the quality of its Directors and management. Equity based incentives consistent with the Company's remuneration policy better aligns the Director's performance with the Company's financial position. The Board also believes that an equity based remuneration component helps it to attract and retain the best executives.

The Board of the Company have agreed that there will be no payment of Director fees in the near future, which policy will be reviewed once the Company has achieved Reinstatement.

The Directors believe the remuneration policy to be a sensible and well-balanced policy which allows them to adjust the remuneration mix appropriately to the Company's changing circumstances.

Athan Lekkas and Joe Calabria

The Company has been fortunate to have Messrs Lekkas and Calabria as Board members since 2012 after the Company had been placed in Administration. Since that time they have put in a substantial amount of unpaid time, assisted the Company in raising capital without receipt of capital raising fees and have not been paid any fees or salaries as Directors.

Messrs Lekkas and Calabria have both agreed to remain on the Board of the Company to assist the Company in the process of Reinstatement.

The proposed Director Incentive Securities to be issued to Messrs Lekkas and Calabria is remuneration for past efforts on behalf of the Company and will assist to incentivise them in the future.

Geoff Barnes

Mr Geoff Barnes has recently been appointed Chairman of the Company and is the principal shareholder and director of Peloton Capital. He has played a key role in the negotiation of the Recapitalisation Proposal which resulted in the raising of \$162,000, as well as the support of Peloton Capital for the Public Offer to raise a minimum of \$1,500,000.

The proposed Director Incentive Securities to be issued to Mr Barnes will be issued as remuneration for past efforts in relation to the Recapitalisation Proposal and will assist to incentivise him as a Director in the future.

5.4 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.13)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of the Director Incentive Securities:

- (a) the related parties are Messrs Geoff Barnes, Athan Lekkas and Joe Calabria who are related parties by virtue of being Directors;
- (b) the maximum number of Director Incentive Securities (being the nature of the financial benefit being provided) to be granted to the Related Parties is:

- (i) 6,000,000 Shares with 6,000,000 free attaching Series B New Options to Mr Geoff Barnes (or his nominee).
 - (ii) 6,000,000 Shares with 6,000,000 free attaching Series B New Options to Mr Athan Lekkas (or his nominee); and
 - (iii) 6,000,000 Shares with 6,000,000 free attaching Series B New Options to Mr Joe Calabria(or his nominee);
- (c) the Director Incentive Securities will be issued to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Incentive Securities will be issued on one date;
 - (d) the Shares will be issued for at least \$0.0001 each and the Series B New Options will be free attaching and issued for nil consideration, accordingly minimal funds of \$1,800 will be raised and the Company intends to use the funds raised to working capital as set out in Section 1.5 of this Notice;
 - (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;
 - (f) the Options will be Series B New Options on the terms and conditions as is set out in Schedule 2 of this Notice;
 - (g) the value of the Series B New Options, being a portion of the financial benefits to be given to the Related Parties in the event Resolutions 4 to 6 are approved and the pricing methodologies are set out in Schedule 4;
 - (h) the Company has been suspended from trading on the ASX since July 2011, accordingly there is no trading history of the Shares on ASX for the 12 months before the date of this Notice. The value of the Shares, being a portion of the financial benefits to be given to the Related Parties in the event Resolutions 4 to 6 are approved and the pricing methodologies are set out in Schedule 4;
 - (i) the relevant interests of the Related Parties in Securities are set out below:

| Related Party | Shares | Options |
|----------------------|---------------|----------------|
| Geoff Barnes | 32,400,000 | Nil |
| Athan Lekkas | 5,600,000 | Nil |
| Joe Calabria | 10,200,000 | Nil |

- (j) there has been no remuneration and emoluments from the Company to the Related Parties through cash payments since the Company went into Administration on 18 July 2011;
- (k) if the Director Incentive Securities are issued to the Related Parties, a total of 18,000,000 Shares and 18,000,000 Series B New Options will be issued. This will increase the number of Shares on issue from 248,570,316 prior to this Meeting, to 611,570,316 on completion of the Public Offer

(assuming that no other Options are exercised and no Shares other than those contemplated by the Resolutions of this Notice are issued and the Full Subscription under the Public Offer is raised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 2.94%, comprising 0.98% by Mr Barnes, 0.98% by Mr Lekkas and 0.98% by Mr Calabria (please note these dilutions do not include additional Shares or Options contemplated to be issued to the Related Parties (or their associates) by other Resolutions in this Notice).

Taking into account the additional Shares and Options contemplated to be issued to the Related Parties (or their associates) by other Resolutions in this Notice (assuming that only the Options contemplated under Resolutions 4, 5 and 6 are exercised, no other Options are exercised, no Shares other than those contemplated by the Resolutions of this Notice are issued and the Full Subscription under the Public Offer is raised) the effect on the shareholding of existing Shareholders would be diluted by an aggregate of 15.21%, comprising 9.64% by Mr Barnes, 2.78% by Mr Lekkas and 2.78% by Mr Calabria.

The market price for Shares during the term of the Series B New Options would normally determine whether or not the Series B New Options are exercised. If, at any time any of the Series B New Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Series B New Options, there may be a perceived cost to the Company;

- (l) the proposed controlling effects of the issues of the Director Incentive Securities to the Related Parties are set out in Schedule 5;
- (m) the Board acknowledges the issue of Director Incentive Securities to Messers Barnes, Lekkas and Calabria is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations with 2010 Amendments (2nd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Director Incentive Securities to the Related Parties reasonable in the circumstances for the following reasons;
 - (i) the issue of the Director Incentive Securities to the Related Parties, will align the interests of the Related Parties with those of Shareholders; and
 - (ii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Incentive Securities upon the terms proposed;
- (n) the purpose of the grant of the Director Incentive Securities to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors and in relation to the Recapitalisation Proposal and to incentivise the Related Parties to participate in the Public Offer (for further details refer to Section 5.3 of the Explanatory Statement);
- (o) Mr Barnes declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Shares and Options in the Company should Resolution 4 be passed;

- (p) Mr Lekkas declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Shares and Options in the Company should Resolution 5 be passed;
- (q) Mr Calabria declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Shares and Options in the Company should Resolution 6 be passed; and
- (r) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 4 to 6.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Incentive Securities to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Incentive Securities to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

6. RESOLUTIONS 7,8,9 AND 10 – RIGHT TO APPLY IN RESPECT OF THE PUBLIC OFFER – DIRECTORS

6.1 General

Pursuant to Resolution 2 the Company is seeking Shareholder approval for the issue of up to 300,000,000 Shares together with one free attaching Series B New Option for every Share issued under the Public Offer.

Mr Geoff Barnes, Mr Joe Calabria, Mr Athan Lekkas and Michael Clarke wish to participate in the Public Offer.

Resolutions 7, 8, 9 and 10 seek Shareholder approval for the following issues:

- (a) 20,000,000 Shares and 20,000,000 free attaching Series B New Options to Mr Geoff Barnes (or his nominee) (Resolution 7);
- (b) 5,000,000 Shares and 5,000,000 free attaching Series B New Options to Mr Joe Calabria (or his nominee) (Resolution 8);
- (c) 5,000,000 Shares and 5,000,000 free attaching Series B New Options to Mr Athan Lekkas (or his nominee) (Resolution 9); and
- (d) 5,000,000 Shares and 5,000,000 free attaching Series B New Options to Michael Clarke (or his nominee) (Resolution 10),

arising from the participation by Mr Geoff Barnes, Mr Joe Calabria, Mr Athan Lekkas and Michael Clarke in the Public Offer (**Participation**).

6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Shares and Series B New Options which constitutes giving a financial benefit and Mr Geoff Barnes, Mr Joe Calabria, Mr Athan Lekkas and Mr Michael Clarke are related parties of the Company by virtue of being Directors. The Board has determined that approval under Chapter 2E will not be required under Resolutions 7 to 10 as the Participation by the Related Parties is on normal arm's length commercial terms which are the same as those for other investors applying under the Public Offer (being under exception s210 of the Corporations Act).

6.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Participation involves the issue of Shares and Series B New Options to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

6.4 Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the following securities will be issued:
- (i) up to 20,000,000 Shares and 20,000,000 Series B New Options for to Geoff Barnes or his nominee;
 - (ii) up to 5,000,000 Shares and 5,000,000 Series B New Options to Athan Lekkas or his nominee; and
 - (iii) up to 5,000,000 Shares and 5,000,000 Series B New Options to Joe Calabria or his nominee; and
 - (iv) up to 5,000,000 Shares and 5,000,000 Series B New Options to Michael Clarke or his nominee;
- (b) the Shares and Series A New Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Series B New Options will occur concurrently with all other investors through the Public Offer;
- (c) the issue price will be \$0.01 per Share and nil per Series B New Option, as they will be free attaching on a 1:1 basis, being the same as all other Shares and Series B New Options issued under the Public Offer;

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- (d) 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;
 - (e) the Series B New Options will be issued on the terms and conditions set out in Schedule 2 ; and
 - (f) the funds raised will be used for the same purposes as all other funds raised under the Public Offer as set out in Section 1.5 of this Explanatory Statement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares and attaching Series B New Options to Mr Geoff Barnes, Mr Joe Calabria, Mr Athan Lekkas and Michael Clarke (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

7. RESOLUTION 11 – ISSUE OF SERIES A NEW OPTIONS TO EXISTING SHAREHOLDERS – EXISTING SHAREHOLDERS PLACEMENT

7.1 General

Pursuant to previous Shareholder approvals and in accordance with the Recapitalisation Proposal, the Company will, subject to Shareholder approval, issue Existing Shareholders a total of 136,170,316 Series A New Options (**Existing Shareholder Placement**).

The issue of Options pursuant to the Existing Shareholder Placement was previously approved by Shareholders at the October 2013 Shareholders' Meeting, however the Options were not issued within the period of 3 months as required by the ASX Listing Rules.

As agreed by the Company, the Existing Shareholder Placement will be issued to the Existing Shareholders or their nominees as follows:

- (a) 23,170,316 Series A New Options to those Shareholders who were eligible to vote at the general meeting of the Company held in October 2012 (**Legacy Shareholders**), being one Series A New Option for every one Share held by the Legacy Shareholders;
- (b) 30,000,000 Series A New Options to those Shareholders who were issued 60,000,000 Shares in 2013 under the Proponent Issue pursuant to the 2012 recapitalisation proposal (**Proponent Shareholders**), being one Series A New Option for every two Shares held by the Proponent Shareholders; and
- (c) 83,000,000 Series A New Options to those Shareholders who were issued Shares during August/September 2013 as approved by Shareholders at the general meeting of the Company held in October 2012 (**2013 Shareholders**), being one Series A New Option for every one Share held by the 2013 Shareholders.

A summary of ASX Listing Rule 7.1 is summarised in Section 2.1 above.

The effect of Resolution 11 will be to allow the Directors to issue the 136,170,176 Series A New Options to the Existing Shareholders or their nominees, as set out

above, during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

7.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Series A New Options under Resolution 11:

- (a) the maximum number of Series A New Options to be issued is 136,170,176 ;
- (b) the Series A New Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Series A New Options will be issued for nil cash consideration and accordingly no funds will be raised;
- (d) the Series A New Options will be issued on the terms and conditions as set out in Schedule 1;
- (e) the Series A New Options will be issued to the Existing Shareholders or their nominees as follows:
 - (i) 23,170,316 Series A New Options to Legacy Shareholders, being one Series A New Option for every one Share held by the Legacy Shareholders;
 - (ii) 30,000,000 Series A New Options to the Proponent Shareholders, being one Series A New Option for every two Share held by the Proponent Shareholders; and
 - (iii) 83,000,000 Series A New Options to the 2013 Shareholders, being one Series A New Option for every one Share held by the 2013 Shareholders; and
- (f) apart from Messrs Lekkas, Calabria and Clarke (whose proposed participation in the Existing Shareholder Placement is the subject of Resolutions 12 - 14), none of the receivers will be related parties of the Company.

8. RESOLUTIONS 12, 13 AND 14 – PARTICIPATION IN THE EXISTING SHAREHOLDER PLACEMENT - MR LEKKAS, MR CALABRIA AND MR CLARKE

As set out in Section 7.1 above, the Company proposes, subject to Shareholder approval of Resolution 11 to issue Existing Shareholders a total of 136,170,316 Series A New Options pursuant to the Existing Shareholder Placement.

Three of the Directors, Messrs Lekkas, Calabria and Clarke, are eligible to participate in the Existing Shareholder Placement and receive Series A New Options as they are Existing Shareholders as set out in the table below and are related parties of the Company by virtue of being Directors.

| Director | Shareholder Category | Shareholding | Series A Options | Total |
|----------|----------------------|--------------|------------------|-------|
|----------|----------------------|--------------|------------------|-------|

| | | | | |
|----------------|-----------|-----------|-----------|-----------|
| Athan Lekkas | Proponent | 1,600,000 | 800,000 | 4,800,000 |
| | 2013 | 4,000,000 | 4,000,000 | |
| Joe Calabria | Proponent | 6,200,000 | 3,100,000 | 7,100,000 |
| | 2013 | 4,000,000 | 4,000,000 | |
| Michael Clarke | 2013 | 2,000,000 | 2,000,000 | 2,000,000 |

Accordingly, under Resolutions 12 to 14, the Board seeks approval to issue Series A New Options as follows:

- (a) 4,800,000 Series A New Options to Athan Lekkas or his nominee (Resolution 12);
- (b) 7,100,000 Series A New Options to Joe Calabria or his nominee (Resolution 13); and
- (c) 2,000,000 Series A New Options to Michael Clarke or his nominee (Resolution 14),

(together the **Related Party Options**) arising from the Related Parties' participation in the Existing Shareholder Placement.

8.1 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Options constitutes giving a financial benefit and Athan Lekkas, Joe Calabria and Michael Clarke are related parties of the Company by virtue of being Directors.

In respect of Resolution 12, the Directors (other than Athan Lekkas who has a material personal interest in the Resolution 12) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options because the Series A New Options will be issued to Mr Athan Lekkas on the same terms as Series A New Options issued to non-related party participants in the Existing Shareholders Placement and as such, the giving of the financial benefit is on arm's length terms.

In respect of Resolution 13, the Directors (other than Joe Calabria who has a material personal interest in the Resolution 13) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options because the Series A New Options will be issued to Mr Joe Calabria on the same terms as Series A New Options issued to non-related party participants in the Existing Shareholders Placement and as such, the giving of the financial benefit is on arm's length terms.

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In respect of Resolution 14, the Directors (other than Michael Clarke who has a material personal interest in the Resolution 14) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options because the Series A New Options will be issued to Mr Michael Clarke on the same terms as Series A New Options issued to non-related party participants in the Existing Shareholders Placement and as such, the giving of the financial benefit is on arm's length terms.

8.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Options involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

8.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Related Party Options:

- (a) the Related Party Options will be granted to Mr Athan Lekkas, Mr Joe Calabria and Mr Michael Clarke or their nominees;
- (b) a maximum of 13,900,000 Related Party Options will be granted as follows:
 - (i) up to 4,800,000 Series A New Options to Athan Lekkas (or his nominee);
 - (ii) up to 7,100,000 Series A New Options to Joe Calabria (or his nominee); and
 - (iii) up to 2,000,000 Series A New Options to Michael Clarke (or his nominee);
- (c) the Related Party Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Incentive Securities will occur on the same date;
- (d) the Related Party Options will be issued for nil cash consideration, being the same as all other Series A New Options issued under the Existing Shareholder Placement, accordingly no funds will be raised; and
- (e) the Series A New Options issued will be on the terms and conditions set out in Schedule 1.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of the Related Party Options to Mr Lekkas, Mr

Calabria and Mr Clarke (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

9. RESOLUTION 15 – ISSUE OF NEW OPTIONS TO PELOTON CAPITAL

Subject to Shareholder approval, the Board has agreed to issue Peloton Capital 75,000,000 Series B New Options as part of the Recapitalisation Proposal (**Peloton Options**).

9.1 Chapter 2E of the Corporations Act

A summary of Chapter 2E is set out in Section 8.1 of this Notice.

The grant of the Peloton Options constitutes giving a financial benefit and Peloton Capital is a related party by virtue Director, Mr Geoff Barnes being a director and shareholder of Peloton Capital.

The Directors (other than Mr Geoff Barnes who has a material personal interest in the Resolution 15) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Peloton Options because the agreement to grant the Peloton Options to Peloton Capital was reached as part of the Recapitalisation Proposal and was negotiated on an arm's length basis.

9.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Peloton Options involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

9.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 15:

- (a) a maximum of 75,000,000 Series B New Options will be issued to Peloton Capital or its nominee;
- (b) the Peloton Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Incentive Securities will occur on the same date;
- (c) Peloton Capital is a related party of the Company by virtue of Director Mr Geoff Barnes being a director and shareholder of Peloton Capital;
- (d) the Peloton Options will be issued for nil cash consideration, accordingly no funds will be raised; and

- (e) the Series B New Options will be on the terms and conditions set out in Schedule 2.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Peloton Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of the Peloton Options to Peloton Capital (or its nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

10. RESOLUTION 16 – ISSUE OF INCENTIVE SECURITIES TO PELOTON CAPITAL

Subject to Shareholder approval, the Board has agreed to issue Peloton Capital or its nominee 27,000,000 Shares with free attaching Series B New Options for every Share issued in accordance with the Recapitalisation Proposal as part of the Capital Raising under Prospectus (**Peloton Incentive Securities**).

10.1 Chapter 2E of the Corporations Act

A summary of Chapter 2E is set out in Section 8.1 of this Notice.

The grant of the Peloton Incentive Securities constitutes giving a financial benefit and Peloton Capital is a related party by virtue of being controlled by Mr Geoff Barnes, Director of the Company.

The proposal to issue the Peloton Incentive Securities to Peloton Capital was agreed by the Board prior to Mr Barnes being elected as Director on 20 May 2014, and was considered appropriate as part of the overall Recapitalisation Proposal which resulted in the issue of \$162,000 in equity, as well as the support of Peloton Capital for the Public Offer to raise a minimum of \$1,500,000.

The purpose of the issue of the Peloton Incentive Securities is to assist Peloton Capital:

- (a) attract capital to the Public Offer through remunerating certain parties who may participate in the Public Offer; and
- (b) to remunerate Peloton Capital for services in relation to the Peloton Raising and Reinstatement of the Company.

Accordingly, the Directors (other than Mr Geoff Barnes who has a material personal interest in the Resolution 16) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Peloton Incentive Securities because the agreement to grant the Peloton Incentive Securities to Peloton Capital was reached as part of the Recapitalisation Proposal and was negotiated on an arm's length basis.

10.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Peloton Incentive Securities involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that

the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

10.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of the Peloton Incentive Securities:

- (a) a maximum of 27,000,000 Shares and 27,000,000 Series B New Options will be issued to Peloton Capital or its nominee;
- (b) the Peloton Incentive Securities will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Peloton Incentive Securities will occur on the same date;
- (c) Peloton Capital is a related party of the Company by virtue of being controlled by Director, Mr Geoff Barnes;
- (d) the Shares will be issued for at least \$0.0001 each and the Series B New Options will be free attaching and issued for nil consideration, accordingly minimal funds of \$2,700 will be raised and the Company intends to use the funds raised to working capital as set out in Section 1.5 of this Notice; and
- (e) the Series B New Options will be on the terms and conditions set out in Schedule 2 .

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Peloton Incentive Securities as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of the Peloton Incentive Securities to Peloton Capital (or its nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

GLOSSARY

\$ means Australian dollars.

2013 Shareholders has the meaning set out in Section 7.1 of the Explanatory Statement.

Administrator means Mr Michael Oscar Basedow care of Pitcher Partners (ACN 101 428 166) in his capacity as Administrator of the Company.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Claim(s) means a debt owing by, or a claim subsisting against the Company in favour of a person, or a debt or claim the circumstances giving rise to which occurred, or any action, suit, causes of action, arbitration, cost, demand, verdict, or judgment at law or in equity or under any statute which arose (whether at law, in equity, whether present, prospective or contingent whether liquidated or sounding only in damages and whether sounding in contract, or tort or however arising) on or before the 17 July 2011, including any claim arising under a convertible note.

Company or **FGF** or **First Growth Funds Limited** means First Growth Funds Limited (ACN 006 648 835).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Creditor(s) means any person having a Claim against the Company.

Deed Administrator means Mr Michael Oscar Basedow care of Pitcher Partners (ACN 101 428 166) in his capacity as Deed Administrator of the DOCA.

Director Incentive Securities has the meaning as set out in Section 1.2 of the Explanatory Statement.

Directors means the current directors of the Company.

DOCA means the amended and varied Deed of Company Arrangement approved by Creditors on 27 September 2013, and executed on 27 September 2013 by the Deed Administrator, the Company, Trident Capital and the Secured Creditor.

Explanatory Statement means the explanatory statement accompanying the Notice.

EST means Eastern Standard Time as observed in Sydney, New South Wales.

Full Subscription means 300,000,000 Shares to be issued under the Public Offer at an issue price of \$0.01 to raise \$3,000,000.

General Meeting or **Meeting** means the meeting convened by the Notice.

Incentive Securities means the Director Incentive Securities and the Peloton Incentive Securities.

Legacy Shareholders has the meaning as set out in Section 7.1 of the Explanatory Statement.

Minimum Subscription means 150,000,000 Shares to be issued under the Public Offer at an issue price of \$0.01 to raise \$1,500,000.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

October 2012 Shareholders Meeting means the general meeting of Shareholders held on 1 October 2012.

October 2013 Shareholders Meeting means the general meeting of Shareholders held on 24 October 2013.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Peloton Capital means Peloton Capital Pty Ltd (ACN 149 540 018).

Peloton Incentive Securities has the meaning as set out in Section 1.2 of the Explanatory Statement.

Proponent Shareholders has the meaning set out in Section 1.1 of the Explanatory Statement.

Prospectus has the meaning set out in Section 1.2 of the Explanatory Statement.

Proxy Form means the proxy form accompanying the Notice.

Public Offer has the meaning set out in Section 1.1 of the Explanatory Statement.

Recapitalisation Proposal has that meaning as set out in Section 1.1.

Reconstruction Deed means the amended and varied Reconstruction Deed approved by Creditors on 30 January 2012, and executed on 20 February 2012 by the Deed Administrator, the Company, Trident Capital, the Secured Creditor and Terrain Capital Limited.

Reinstatement means reinstatement of the Company to the Official List of the ASX.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Secured Creditor means Noble Investments Superannuation Fund Pty Ltd (ACN 135 046 409).

Securities means Shares and Options in the Company.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Terrain Capital means Terrain Capital Pty Ltd (ACN 092 070 472).

Transocean Placement has the meaning set out in Section 1.2 of the Explanatory Statement.

Transocean means Transocean Securities Pty Ltd (ACN 009 230 120).

Trident Capital means Trident Capital Pty Ltd (ACN 100 561 733).

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SCHEDULE 1 – TERMS AND CONDITIONS OF SERIES A NEW OPTIONS

- (a) Each New Option (**New Option**) entitles the holder (**Option Holder**) to subscribe for a Share in the Company at the exercise price of \$0.008 per Share.
- (b) The New Options are, subject to any restriction on the New Options vesting in the Option Holder, only exercisable 7 days prior to the Expiry Date, which will be 12 months from the date of Reinstatement.
- (c) The New Options will expire at 5.00pm (Central Standard Time in Australia) on the first day after the 12th Calendar Month from Reinstatement (**Expiry Date**). Any New Options not exercised on or before the expiry date will automatically lapse.
- (d) All Shares in the Company issued on the exercise of New Options will rank equally in all respects with the then existing Shares.
- (e) The Company must apply for quotation of all Shares in the Company allotted pursuant to the exercise of New Options not later than 10 Business Days after the date of issue.
- (f) Application will be made to ASX for quotation of the New Options.
- (g) An Option Holder may only participate in new issues of securities (New Issue) to holders of Shares in the Company if the New Options have been exercised and Shares allotted in respect of the New Options before the record date for determining entitlements to the New Issue. The Company must give to the Option Holder at least 7 Business Days notice of any New Issue before the record date for determining entitlements to the New Issue in accordance with the Listing Rules.
- (h) There will be no change to the exercise price of the New Options or the number of Shares over which the New Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).
- (i) If there is a bonus issue to the holders of Shares in the Company (**Bonus Issue**), the number of Shares over which the New Options are exercisable will be increased by the number of Shares which an Option Holder would have received if the New Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares on issue as the date of issue of the Bonus Shares.
- (j) If prior to the expiry date there is a re-organisation of the issued capital of the Company, the New Options are to be treated in the manner set out in the Listing Rules.

SCHEDULE 2 – TERMS AND CONDITIONS OF SERIES B NEW OPTIONS

- (a) Each New Option (**New Option**) entitles the holder (**Option Holder**) to subscribe for a Share in the Company at the exercise price of \$0.02.
- (b) The New Options are, subject to any restriction on the New Options vesting in the Option Holder, only exercisable 7 days prior to the Expiry Date, which will be 3 years from the date of Reinstatement of the Company.
- (c) The New Options will expire at 5.00pm (Central Standard Time in Australia) on the first day after the 3 years from Reinstatement (**Expiry Date**). Any New Options not exercised on or before the expiry date will automatically lapse.
- (d) All Shares in the Company issued on the exercise of New Options will rank equally in all respects with the then existing Shares.
- (e) The Company must apply for quotation of all Shares in the Company issued pursuant to the exercise of New Options not later than 10 Business Days after the date of issue.
- (f) Application will be made to ASX for quotation of the New Options.
- (g) An Option Holder may only participate in new issues of securities (New Issue) to holders of Shares in the Company if the New Options have been exercised and Shares issued in respect of the New Options before the record date for determining entitlements to the New Issue. The Company must give to the Option Holder at least 7 Business Days notice of any New Issue before the record date for determining entitlements to the New Issue in accordance with the Listing Rules.
- (h) There will be no change to the exercise price of the New Options or the number of Shares over which the New Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).
- (i) If there is a bonus issue to the holders of Shares in the Company (**Bonus Issue**), the number of Shares over which the New Options are exercisable will be increased by the number of Shares which an Option Holder would have received if the New Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares on issue as the date of issue of the Bonus Shares.
- (j) If prior to the expiry date there is a re-organisation of the issued capital of the Company, the New Options are to be treated in the manner set out in the Listing Rules.

SCHEDULE 3 - PRO-FORMA STATEMENT OF FINANCIAL POSITION

Included below is the unaudited Pro-Forma Statement of Financial Position for the Company assuming completion of the Recapitalisation Proposal.

The Company is, at this stage, in breach of its reporting requirements to ASIC in that it has not yet lodged audited accounts for June 30 2011, 2012 and 2013, nor audit reviewed accounts for December 31 2011, 2012 and 2013.

As at the date of this Notice of Meeting the accounts for June 30 2011, 2012 and 2013 and for December 31 2011, 2012 and 2013 are under preparation and will be lodged with ASIC prior to the Company being reinstated to trading on the ASX. The lodgement of the Company accounts for these periods may occur outside the timeframes required under Chapter 2M of the Corporations Act. Technically the failure to lodge the financial reports (if it occurs) would mean the Company would be in breach of its financial reporting requirements under the Corporations Act. Shareholders should be aware that this breach (if it occurs) may affect the Company's ability to be reinstated to the ASX. The costs of preparing the accounts will be borne out of the costs of the recapitalisation process.

| | NOTE | Unaudited as at May 31 2014 \$ | Pro-Forma as at May 31 2014 if Recapitalisation Proposal completed \$ |
|----------------------------------|------|--------------------------------------|---|
| Assets | | | |
| Current | | | |
| Cash and cash equivalents | 1 | 175,987 | 1,338,296 |
| Financial Assets | 2 | 440,000 | 440,000 |
| Total Assets | | 615,987 | 1,778,296 |
| Liabilities | | | |
| <i>Current Liabilities</i> | | | |
| Trade and other Payables | 3 | (128,041) | 0 |
| Total Current Liabilities | | (128,041) | 0 |
| <i>Non Current Liabilities</i> | | | |
| Financial Liabilities | 4 | (440,000) | (440,000) |
| Total Non Current Liabilities | | (440,000) | (440,000) |
| Total Liabilities | | (568,041) | (440,000) |
| Net Assets/(Liabilities) | | 47,946 | 1,338,296 |
| Equity | | | |
| Contributed Equity | | 1,817,951 | 3,677,951 |
| Accumulated Losses | | (1,860,005) | (1,860,005) |
| Total Equity/(deficiency) | | (42,054) | (1,817,946) |
| Shares on issue | 5 | 248,570,316 | 443,570,316 |
| Value of a Share | | \$0.0002 | \$0.003 |

Notes:

1. Cash and Cash Equivalents

Cash and cash equivalents have been adjusted for the expected changes that will result from the recapitalisation of the Company. These adjustments are set out below:

| Description | Amount (\$) |
|---|--------------------|
| Cash at 30 May 2014 | \$175,987 |
| Cash Received from Prospectus (Minimum Subscription) | \$1,504,500 |
| Payment for outstanding creditors and Prospectus costs (including costs of the Capital Raising) | (\$342,191) |
| Cash following completion of proposal | \$1,338,296 |

2. Financial Assets

The financial assets reflect the Company's interest in Bluefish Technologies Pty Ltd.

The financial assets that will remain following the recapitalisation process is the Company's interest in Bluefish Technologies Pty Ltd which will remain subject to a charge by the Secured Creditor. (Refer Section 1.3). The valuation on this asset is arrived at following investment by an arm's length third party investor during 2012 who has contributed \$600,000 in equity to Bluefish at a valuation that results in a valuation of the Company's interest in Bluefish at \$440,000 as at the date of the Notice of Meeting. Communications with Bluefish by the Company have resulted in the Board retaining this carrying value as reasonable.

These contributions have also seen the Company's interest in Bluefish dilute from greater than 30% when the Company was placed into administration to approximately 24.5% at the date of this Notice of Meeting.

3. Financial Liabilities

The Secured Creditor retains security over the Company's interest in Bluefish, which security is limited to the extent of the value of that asset to a maximum of \$800,000. The Secured Creditor has no rights over any other assets of the Company. Hence the liability disclosed is limited to the value of the asset. Section xx of the Explanatory Memorandum provides more detail.

4. **Securities**

| Description | Number of Shares | Series A New Options | Series B New Options |
|---|-------------------------|-----------------------------|-----------------------------|
| Issued Capital as at May 30 2014 | 248,570,316 | | |
| Options issued to Peloton investors | | 32,400,000 | |
| Shares and Options issued under the Prospectus (Minimum Subscription) | 150,000,000 | | 150,000,000 |
| Incentive Securities | 45,000,000 | | 45,000,000 |
| Existing Shareholder Placement | | 136,170,316 | |
| Transocean Options | | 5,000,000 | |
| Peloton Options | | | 75,000,000 |
| Total | 443,570,316 | 173,570,316 | 270,000,000 |

5. **Value of a Share**

This has been estimated by the Directors, on an undiluted basis, based on the Net Assets following the recapitalisation of \$1,338,296 divided by the number of shares on issue, being 443,570,316.

SCHEDULE 4 – VALUATION OF FINANCIAL BENEFITS GIVEN RESOLUTION 4 TO 6

The Incentive Securities (both Shares and Series B New Options) to be issued to the Related Parties pursuant to Resolutions 4 to 6 have been valued by internal management.

Shares

Using the issue price of the Shares of \$0.0001 per share, that they rank equally with Shares to be issued under the Public Offer at \$0.01 per share, value has been derived based on the differential of \$0.0099 per Share and valued as per the table below:

| | |
|---|-----------|
| Indicative value per Share | 0.0099 |
| | |
| Total Value of Shares to Related Parties | \$178,200 |
| | |
| - Greoff Barnes | \$59,400 |
| - Athan Lekkas | \$59,400 |
| - Joe Calabria | \$59,400 |

Note: The valuation noted above is not necessarily the market price that the Shares could be traded at and is not automatically the market price for taxation purposes.

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Series B New Options

Using the Black & Scholes option model and based on the assumptions set out below, the Series B New Options were ascribed the following value:

| | |
|---|----------------------------------|
| Assumptions: | |
| | |
| Valuation date | On issue following Reinstatement |
| Indicative value per Share | \$0.01 |
| Exercise price | \$0.02 |
| Expiry date (length of time from issue) | 1,095 days |
| Risk free interest rate | 3.77% |
| Volatility (discount) | 85% |
| | |
| Indicative value per Series B New Option | \$0.004 |
| | |
| Total Value of Series B New Options to Related Parties | \$72,000 |
| | |
| - Greoff Barnes | \$24,000 |
| - Athan Lekkas | \$24,000 |
| - Joe Calabria | \$24,000 |
| | |

Note: The valuation noted above is not necessarily the market price that the Series B New Options could be traded at and is not automatically the market price for taxation purposes.

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**SCHEDULE 5 – PROPOSED CONTROLLING EFFECTS OF ISSUES TO RELATED PARTIES
(RESOLUTIONS 4, 5 AND 6)**

| Related Party | Current Shares held | Current Options held | % (undiluted) | Shares proposed to be issued | Options proposed to be issued | Resolutions in this Notice | Shares held Post Recapitalisation ² | % Post-Recap ² (undiluted) |
|---------------------------|---------------------|----------------------|--------------------|------------------------------|-------------------------------|----------------------------|--|---------------------------------------|
| Geoff Barnes ¹ | 32,400,000 | Nil | 13.03% | 53,000,000 | 160,400,000 | 4, 7, 15 & 16 | 91,400,000 | 14.94% |
| Athan Lekkas | 5,600,000 | Nil | 2.25% | 11,000,000 | 15,800,000 | 5, 9 & 12 | 22,600,000 | 3.69% |
| Joe Calabria | 10,200,000 | Nil | 4.10% | 11,000,000 | 18,100,000 | 6, 8 & 13 | 27,200,000 | 4.45% |
| Total | | | 248,570,316 | | | | | 611,570,316 |

Note:

1. Peloton Capital is controlled by Mr Geoff Barnes, and thus Mr Barnes is deemed to have a 'relevant interest' in all of those Shares held by Peloton Capital in the Company (and vice versa).
2. This is on the basis that:
 - (a) all Resolutions under this Notice are approved and securities proposed to be issued, are issued;
 - (b) no other Options are exercised (other than the 6,000,000 Series B New Options granted to each of Mr Barnes, Mr Lekkas and Mr Calabria under Resolutions 4, 5 and 6);
 - (c) no Shares other than those contemplated by the Resolutions of this Notice are issued; and
 - (d) the Full Subscription under the Public Offer is raised.

PROXY FORM

**APPOINTMENT OF PROXY
FIRST GROWTH FUNDS LIMITED
ACN 006 648 835**

GENERAL MEETING

I/We
of

being a Shareholder entitled to attend and vote at the Meeting, hereby
appoint
Name of proxy

OR the Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10am (EST), on 30 July 2014 at the offices of Leadenhall Australia Pty Ltd Level 1, 31 Franklin Street, Adelaide, South Australia. 5000 and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on business of the Meeting

| | FOR | AGAINST | ABSTAIN |
|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 – Issue of Series A New Options to Clients of Peloton Capital | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 – Issue of Securities under the Public Offer | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 – Issue of Series A New Options to Transocean | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 – Issue of Incentive Securities to Geoff Barnes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 – Issue of Incentive Securities to Athan Lekkas | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 – Issue of Incentive Securities to Joe Calabria | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 – Right to apply in respect of Public Offer – Geoff Barnes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8 – Right to apply in respect of Public Offer – Joe Calabria | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 9 – Right to apply in respect of Public Offer – Athan Lekkas | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 10 – Right to apply in respect of Public Offer – Michael Clarke | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 11– Issue of Series A New Options - Existing Shareholders Placement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 12 – Participation in Existing Shareholder Placement - Athan Lekkas | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 13 – Participation in Existing Shareholder Placement - Joe Calabria | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 14 – Participation in Existing Shareholder Placement – Michael Clarke | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 15 – Issue of Series B New Options - Peloton Capital | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 16 – Issue of Incentive Securities - Peloton Capital | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Important for Resolutions 1, 4, 7, 15 and 16

If you have not directed your proxy how to vote as your proxy in respect of Resolutions 1, 4, 7, 15 and 16 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolutions 1, 4, 7, 15 and 16 (except where I/we have indicated a different voting intention above) and acknowledge that the Chair may exercise my/our proxy even if the Chair has an interest in the outcome of Resolutions 1, 4, 7, 15 and 16 and that votes cast by the Chair for Resolutions 1, 4, 7, 15 and 16, other than as proxy holder, will be disregarded because of that interest.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolutions 1, 4, 7, 15 and 16 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1, 4, 7, 15 and 16.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Shareholder(s): _____ **Date:** _____

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

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Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - (a) **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - (b) **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - (c) **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - (d) **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to First Growth Funds Limited, c/- Suite 24, 168 Melbourne Street, North Adelaide, South Australia, 5006.
 - (b) facsimile to +61 8 8267 5528; or
 - (c) email to info@firstgrowthfunds.com

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy forms received later than this time will be invalid.