

**Form 603**  
Corporations Act 2001  
Section 671B

**Notice of initial substantial holder**

To Company Name/Scheme Atlantic Limited (Atlantic)

ACN/ARSN 009 213 763

**1. Details of substantial holder (1)**

Name Droxford International Limited (Droxford) and each of the entities set out in Annexure A (Droxford Associates)

ACN/ARSN (if applicable) Not applicable

The holder became a substantial holder on 22 September 2010

**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary	20,500,000	20,500,000	19.1%, based on 107,362,342 ordinary shares on issue as at 22 September 2009

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Droxford and Droxford Associates	Relevant interest under subsection 608(1) (holder) of the <i>Corporations Act 2001</i> (Cth) pursuant to a Subscription Agreement dated 26 June 2010 (Subscription Agreement), a copy of which is attached as Annexure B.	20,500,000 fully paid ordinary shares

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Droxford and Droxford Associates	Droxford	Droxford	20,500,000 fully paid ordinary shares

**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Droxford and Droxford Associates	22 September 2010	\$22,550,000		20,500,000 fully paid ordinary shares

**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
	See attached Schedule A

**7. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
Droxford International Limited	PO Box 957, Offshore Incorporations Centre, Road Town Tortola, BVI

**Signature**

print name **Anthoni Salim**

capacity **Director**

sign here

date **24 September 2010**

**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

**Annexure A to Form 603****Droxford Associates**

This is Annexure A of ONE page referred to in the Form 603 (Notice of Initial Substantial Holder) dated 24<sup>th</sup> September 2010.

<b>ENTITY</b>	<b>REGISTERED ADDRESS</b>
Ace Aim Pte. Ltd.	151 Cavenagh Road, #03-153 Cavenagh Court SINGAPORE (229628)
Ettason Pty Ltd (ACN 002 837 390)	Unit 1, 2B Birmingham Avenue, Villawood, NSW 2163, Australia
Willalpa Enterprises Limited	P.O. Box 957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands
Universal Integrated Corporation Consumer Products Pte. Ltd.	75 Bukit Timah Road, #05-01/02, Boon Siew Building, Singapore 229833
Mr Anthoni Salim	c/o 75 Bukit Timah Road, #05-01/02, Boon Siew Building, Singapore 229833
Food Empire Holdings Limited	3 Church Street, #08-01 Samsung Hub, Singapore 049483
Elders Limited	Level 3,27 Currie Street,,Adelaide,SA 5000,Australia
First Pacific Company Limited	24/F Two Exchange Square, 8 Connaught Place, Central Hong Kong
Pacific Agrifoods Investments Pty Ltd (ACN 107 939 471)	Gayfer House, 30 Delhi Street, West Perth WA 6005 (change to Level 2, 19 Prospect Street, Box Hill Vic 3128 w.e.f. 30 September 2010)
Solagran Limited (ACN 002 592 396)	Level 1, 480 St Kilda Road, Melbourne 3004 Vic



# Subscription Agreement

**Atlantic Ltd**  
ACN 009 213 763

**Droxford International Limited**  
Company number 461087

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SUBSCRIPTION AGREEMENT dated 26 June 2010

**BETWEEN** Atlantic Ltd (ACN 009 213 763) of Level 29 Bankwest Tower, 108 St Georges Terrace Perth, WA, 6000 ("Company")

**AND** Droxford International Limited (Company number 461087) of P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands ("Subscriber")

## RECITALS

- A. The Company is duly registered under the Corporations Act and is admitted to the official list of ASX.
- B. The Company is undertaking a placement to institutional investors of fully paid ordinary shares in the Company to raise gross proceeds of up to A\$55.0 million ("Offer"). The proceeds raised will be used by the Company Group to fund the completion of the construction and commissioning of the Windimurra vanadium project.
- C. The Company has agreed to allot and issue to the Subscriber, and the Subscriber has agreed to subscribe for, the Subscription Shares on the terms and conditions set out in this Agreement.

## IT IS AGREED

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### 1. Definitions and Interpretation

#### 1.1 Definitions

In this Agreement:

**Agreement** means this agreement including any schedule, annexure, attachment and exhibit and any agreed or permitted variation to any of the foregoing from time to time.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691.

**Business Day** means a day on which all major banks are open for business generally in Western Australia, Australia.

**Company Group** means the Company and its Subsidiaries from time to time.

**Completion** means completion of this Agreement in accordance with clause 4.

**Completion Date** means the fourth Business Day after the satisfaction or waiver of the last of the conditions precedent in clause 3.1, or such later date as the parties may agree in writing.

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

**EGM** means the meeting of the Company's shareholders referred to in clause 3.1(c).

**Encumbrance** means any mortgage, charge, lien, hypothecation, assignment, security or other encumbrance by way of security (other than a lien arising by operation of law and a



charge arising by operation of statute and in either case in respect of which no default has occurred), a notice under section 174 of the Income Tax Assessment Act 1936, Schedule 1 section 260-5 of the Taxation Administration Act 1953, section 105 of the Sales Tax Assessment Act 1992 or any similar legislation, an easement, restrictive covenant, caveat or similar restriction over property, a Security Interest or any title retention preferential right or arrangement or trust arrangement the effect of which is the creation of security (howsoever ranking) for the payment of indebtedness or any other monetary obligation or the observance of any other obligation and any agreement to create any of them or allow any of them to exist.

**Event of Insolvency means:**

- (a) an Insolvency Official is appointed in respect of a person or any asset of a person;
- (b) an Insolvency Official is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
  - (i) appointing an Insolvency Official;
  - (ii) winding up a corporation; or
  - (iii) proposing or implementing a scheme of arrangement, except to reconstruct or amalgamate whilst solvent on terms approved by an Insolvency Official;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
- (e) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable law to be, insolvent or unable to pay its debts;
- (f) a body corporate resolves to wind itself up or otherwise dissolve itself or gives notice of intention to do so, except to reconstruct or amalgamate whilst solvent on terms approved by an Insolvency Official;
- (g) a body corporate fails (in accordance with the terms of section 459F of the Corporations Act) to comply with any statutory demand served pursuant to section 459E of the Corporations Act;
- (h) a body corporate is or makes a statement from which it may be reasonably deduced by an Insolvency Official that the body corporate is, the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act;
- (i) a body corporate takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation;
- (j) execution or other process issued on a judgment, decree or order of a court in favour of a creditor of a body corporate is returned wholly or partly unsatisfied;
- (k) any steps are taken by ASIC to dissolve a body corporate or a body corporate is dissolved;

- (l) a person becomes an insolvent under administration as defined in section 9 of the Corporations Act or action is taken which could result in that event; or
- (m) anything analogous or having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction.

**Execution Date** means the date of execution of this Agreement by both parties.

**Insolvency Official** means any one of a liquidator, provisional liquidator, administrator, controller, managing controller, receiver, receiver and manager or similar officer in respect of a body corporate.

**Insolvency Provision** means any law relating to insolvency, sequestration, liquidation or bankruptcy (including any law relating to the avoidance of conveyances in fraud of creditors or of preferences, and any law under which a liquidator or trustee in bankruptcy may set aside or avoid transactions), and any provision of any agreement, arrangement or scheme, formal or informal, relating to the administration of any assets of any person.

**Joint Lead Managers** means RBS Morgans (ABN 32 010 539 607) and Mirabaud Securities LLP.

**Laws** means the ASX Listing Rules, the ASX Market Rules, the ASTC Settlement Rules, the Corporations Act and any other applicable laws, regulations or rules.

**Listing Rules** means the official listing rules of ASX including the appendices thereto, as amended from time to time.

**Placement** means the offer of Shares comprising a placement to institutional investors to raise gross proceeds of up to A\$55.0 million (including the issue of Subscription Shares to the Subscriber under this Agreement).

**Placement Shares** means the Shares to be issued under the Placement.

**Proposed Share Consolidation** means the proposed consolidation of the share capital of the Company on a twenty five for one basis as described in the Company's Notice of Extraordinary General Meeting and Explanatory Memorandum dated on or about 30 June 2010.

**Prospectus** means the prospectus (in form and substance acceptable to the Joint Lead Managers) prepared by the Company and lodged with ASIC in accordance with Chapter 6D.2 of the Corporations Act for the purpose of the Company satisfying ASX requirements under Chapter 11 of the Listing Rules and pursuant to which a nominal offer of Shares will remain open until at least the allotment of the Placement Shares, and includes any supplementary prospectus.

**Prospectus Lodgement Date** means no later than 1 Business Day before the date of the EGM to approve the Placement.

**Regulatory Authority** means:

- (a) any government or local authority and any department, minister or agency of any government; and
- (b) any other authority, agency, commission or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange.

**Security Interest** means an interest or power:

- (a) reserved in an interest in property; or
- (b) created or otherwise arising in an interest in property under a bill of sale (as defined in any statute) mortgage, charge, lien, pledge, hypothecation, trust or power,

by way of security for the payment of a debt or other monetary obligation or the observance of any other obligation.

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

**Shareholder** means a registered holder of ordinary Shares.

**Subscription Amount** means the amount which is the Subscription Price multiplied by the number of Subscription Shares.

**Subscription Price** means, subject to any adjustment required under clause 2.2(b), A\$0.044 per Subscription Share, being the issue price per Placement Share.

**Subscription Shares** means, subject to any adjustment required under clause 2.2(b), such number of Shares which is equivalent to 19.9% of the Company's total issued share capital following completion of the Placement.

**Subsidiary** has the same meaning as is ascribed to that term in section 9 of the Corporations Act.

**Warranty** means:

- (a) in relation to the Company, a representation and warranty, given by the Company in this Agreement, including those set out in clauses 7.1 and 7.2; and
- (b) in relation to the Subscriber, a representation and warranty given by the Subscriber in this Agreement, including those set out in clauses 7.1 and 7.3.

## 1.2 Interpretation

In this Agreement:

- (a) headings are for convenience only and do not affect interpretation;

and unless the context indicates a contrary intention:

- (b) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation and where a party executes this Agreement in its capacity as trustee, a reference to that party includes any substituted or additional trustee;
- (c) a reference to this Agreement or to any other agreement, deed or document includes, respectively, this Agreement or that other agreement, deed or document as amended, novated, supplemented, varied or replaced from time to time;
- (d) words importing the singular include the plural (and vice versa), words denoting a given sex include the other sex, and words denoting individuals include corporations (and vice versa);

- (e) the terms defined in the Corporations Act shall have a corresponding meaning in this Agreement;
- (f) reference to any legislation or to any section or provision of any legislation includes any statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued under any legislation;
- (g) references to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this Agreement, and a reference to this Agreement includes any schedule, exhibit and annexure;
- (h) if more than one person is under an obligation to act or not to act under this Agreement, the liability of those persons so identified binds each of them severally and every two or more of them jointly; if more than one person receives the same benefit under this Agreement the benefit is to be enjoyed by each of them severally;
- (i) references to payments to any party to this Agreement will be construed to include payments to another person upon the direction of such party; and
- (j) all payments to be made under this Agreement must be made in immediately available funds and in Australian currency.

### **1.3 Best and reasonable endeavours**

Any provision of this Agreement which requires a party to use best endeavours or reasonable endeavours to procure that something is performed or occurs or does not occur does not include any obligation:

- (a) to pay any money or to provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person except for the payment of any applicable fee for the lodgement or filing of any relevant application with any Regulatory Authority; or
- (b) to commence any legal action or proceeding against any person, except where that provision expressly specifies otherwise.

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## **2. Subscription**

### **2.1 Agreement to subscribe**

- (a) Subject to the terms of this Agreement including clause 3.1, on Completion:
  - (i) the Subscriber agrees to subscribe for the Subscription Shares; and
  - (ii) the Company agrees to issue and allot the Subscription Shares to the Subscriber.
- (b) The Subscription Shares must be issued and allotted to the Subscriber:
  - (i) free from any Encumbrance; and
  - (ii) with all rights attaching or accruing to the Subscription Shares from Completion.

## 2.2 Acknowledgments

- (a) **(Subscriber acting as principal):** The Subscriber agrees that it will be acting as a principal and not as an agent for another party when it subscribes for the Subscription Shares under this Agreement.
- (b) **(Proposed Share Consolidation adjustments):** The Company and the Subscriber acknowledge and agree that that if the Proposed Share Consolidation takes effect before the Subscription Shares are issued in accordance with this agreement, then the terms of this agreement shall apply on the basis that:
  - (i) the number of Subscription Shares is adjusted in accordance with;  
and
  - (ii) the Subscription Price is adjusted in inverse proportion to,  
  
the ratio for the Proposed Share Consolidation (being 25:1)

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## 3. Conditions

### 3.1 Conditions Precedent

The obligations of the parties under this Agreement are conditional on the satisfaction of each and all of the following conditions:

- (a) the Company lodging the Prospectus with ASIC by no later than the Prospectus Lodgement Date;
- (b) the Company advises the Subscriber in writing that all material conditions precedent to the completion of the acquisition by the Company (or a wholly owned subsidiary) of a 62.5% equity interest in Midwest Vanadium Pty Ltd ACN 113 874 712 have been satisfied or waived (other than the condition precedent relating to the Company having secured the required amount of funding to be used to complete the construction and commission of the Windimurra vanadium project);
- (c) ASIC has not placed an interim or final stop order on the Prospectus; and
- (d) the Company validly convening and holding an extraordinary general meeting of the Company's shareholders to approve the issue of the Placement Shares under Listing Rule 7.1 and a Listing Rule Chapter 11 approval for change in nature or scale of activities (EGM), and a resolution at the EGM to approve the issue of Placement Shares under Listing Rule 7.1 and a resolution to approve a Listing Rule Chapter 11 approval for change in nature or scale of activities being validly passed by shareholders of the Company eligible to vote.

### 3.2 Best endeavours:

The Company must use its best endeavours to procure that the condition precedent in clause 3.1 (**Conditions Precedent**) are satisfied.

### 3.3 Waiver and termination:

Each Condition Precedent is for the benefit of the Subscriber and may only be waived by the Subscriber.

### **3.4 Cut Off Date**

A party may, by not less than 2 Business Days' notice to the other party, terminate this agreement at any time before Completion if:

- (a) the conditions in clause 3.1 are not satisfied, or waived in accordance with clause 3.3 by 30 September 2010; or
- (b) the conditions in clause 3.1 become incapable of satisfaction or the parties agree that any of the conditions in clause 3.1 cannot be satisfied.

### **3.5 No binding agreement**

For the avoidance of doubt, nothing in this agreement will cause a binding agreement for the issue of the Subscription Shares unless and until the conditions in clause 3.1 have been satisfied or waived in accordance with clause 3.3 and no person will obtain rights in relation to those shares as a result of this agreement unless and until those conditions have been satisfied.

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## **4. Completion**

### **4.1 Time and place**

Completion will take place on the Completion Date at the time and place agreed by the Company and the Subscriber.

### **4.2 Subscriber's obligations**

By 10.00am on the Business Day before the Completion Date, the Subscriber must pay the Subscription Price for all of the Subscription Shares by electronic transfer to a bank account specified and controlled by a nominee mutually acceptable to the Company and the Subscriber, details of which will be provided to the Subscriber by the Company in writing at least 2 Business Days prior to the Completion Date and with such Subscription Price to be held in escrow in trust and for the absolute account of the Subscriber against compliance by the Company of its obligations in Clause 4.3 and only upon completion of which, the Company is automatically entitled to the aggregate amount of the Subscription Price paid by the Subscriber. Upon completion of the obligation in Clause 4.3 (a) the funds comprising the Subscription Price are held on trust for the absolute benefit of the Company.

### **4.3 Company's obligations**

Subject to the Company receiving the Subscription Price for all of the Subscription Shares from the Subscriber into the escrow account in accordance with clause 4.2, the Company must:

- (a) issue and allot to the Subscriber the Subscription Shares;
- (b) deliver to the Subscriber (or procure delivery to the Subscriber of) a holding statement for the Subscription Shares or other evidence, that the Subscriber is the sole registered legal and beneficial owner of all of the Subscription Shares; and
- (c) ensure compliance with its other obligations under clause 7; and

- (d) procure that the Company's board of directors convene a Board meeting within 5 Business Days after Completion to approve the appointment of a nominee of the Subscriber as a director of the Company.

#### **4.4 Registration of Subscription Shares**

Immediately following Completion, the Company must procure that its share registry records:

- (a) the issue of the Subscription Shares to the Subscriber; and
- (b) the Subscriber as the sole legal and beneficial holder of all of the Subscription Shares,

in its register of members.

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### **5. Restrictions on the Company**

The Company will not, prior to Completion, without the Subscriber's prior written consent:

- (a) dispose of or agree to dispose of any of its right, title or interest in and to any asset that it may own or to which it may become entitled;
- (b) charge or agree to encumber the whole or any part of its right, title and interest in and to any asset that it may own or to which it may become entitled;
- (c) issue, or agree to issue, any marketable securities in its capital or grant any options or rights to take up by way of subscription, conversion or substitution further shares in its capital, whether the shares rank in preference to, equally with or after the Subscription Shares in respect of any right or interest;
- (d) grant any special voting or other rights that attach to the ordinary issued shares in its capital; or
- (e) carry on any business except a business of a type that is currently being carried on or currently proposed to be carried on by the Company,

except as provided for in the Prospectus or pursuant to the Share Consolidation or pursuant to the Notices of Meeting dated 31 May 2010 (including issuing shares to director Tony Veitch) and the Notice of Meeting dated on or about 30 June 2010.

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### **6. Application for Official Quotation**

The Company must:

- (a) on the Completion Date apply to ASX for all of the Subscription Shares to be granted quotation (as that expression is defined in the Listing Rules) pursuant to Listing Rules 2.7 and 2.8.3 and shall forward to the ASX all information and documents as may be required by the Listing Rules to procure the Subscription Shares to be quoted; and

- (b) use its best endeavours to ensure that all conditions of the approval for quotation granted by the ASX are satisfied as soon as reasonably practical after the Completion Date.

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## 7. Representations, Warranties and Undertakings

### 7.1 General

Each party represents, warrants and undertakes to the other party that:

- (a) **(Legally binding obligation):** this Agreement constitutes valid and legally binding obligations on it in accordance with its terms;
- (b) **(Execution, delivery and performance):** the execution, delivery and performance of this Agreement by it does not violate any statute or law, or any document or agreement to which it is a party or which is binding on it or any of its assets;
- (c) **(Authorisation):** all consents, licences, approvals and authorisations required to be obtained by it in connection with the execution, delivery and performance of this Agreement have been obtained and are valid and subsisting, other than set out in the conditions precedent set out in clause 3; and
- (d) **(No Event of Insolvency):** no Event of Insolvency has occurred in relation to it nor is there any act which has occurred or any omission made which may result in an Event of Insolvency occurring in relation to it.

### 7.2 Company Warranties

The Company represents, and warrants and undertakes to the Subscriber that:

- (a) **(Duly incorporated):** it is duly incorporated and validly existing under the laws of the State of Western Australia, Australia, and has the corporate power to enter into and perform its obligations pursuant to this Agreement and to carry out the transactions contemplated by this Agreement;
- (b) **(Valid issue):** the issue and allotment of the Subscription Shares to the Subscriber will be valid and effective;
- (c) **(Subscription Shares rank equally):** the Subscription Shares will, once issued, rank pari passu with all other fully paid ordinary shares in the capital of the Company;
- (d) **(Lodgement of Prospectus):** it will lodge the Prospectus with ASIC by no later than the Prospectus Lodgement Date;
- (e) **(Prospectus):**
  - (i) the Prospectus will comply with the Corporations Act and all other applicable laws;
  - (ii) the Prospectus will not contain any statements which are misleading or deceptive (including, without limitation, misleading representations within the meaning of section 728(2) of the Corporations Act or any omissions of required information);



- (iii) the issue and distribution of the Prospectus will not constitute conduct by any persons which is misleading or deceptive, or likely to mislead or deceive;
- (f) **(No restrictions on disposal):** the Subscriber will be entitled to sell, transfer, assign, dispose of, and Encumber, the Subscription Shares at any time after Completion.
- (g) **(No public offer in Indonesia):** the Placement does not qualify as a public offer of securities in Indonesia. No more than forty nine persons in Indonesia may subscribe for Placement Shares.
- (h) **(Continuous disclosure obligations):** it is in compliance with its periodic and continuous disclosure obligations under the Listing Rules and the Corporations Act.
- (i) **(Accuracy of Information):** so far as the Company is aware, the information concerning the Company prepared by or on behalf of the Company and provided by the Company to the Subscriber is accurate in all material respects.

### 7.3 Subscriber Warranties

The Subscriber represents, warrants and undertakes to the Company that:

- (a) upon being registered as the registered proprietor of the Subscription Shares, the Subscriber agrees to be bound by the Company's constitution;
- (b) it confirms that execution, delivery and performance of this agreement does not constitute a breach of any relevant laws and regulations ;
- (c) if it is in any jurisdiction other than Australia it confirms it is a person to whom an offer can lawfully be made under applicable laws and to whom the Subscription Shares can lawfully be issued under all applicable laws, without the need for any lodgement, registration or other formality of any disclosure or other document and the offer of, or invitation to subscribe for, Subscription Shares to it by this Agreement is in compliance with all applicable laws;
- (d) it acknowledges and agrees that any issue of Subscription Shares to it is subject to this Agreement not being terminated prior to issue;
- (e) it agrees to accept any Subscription Shares issued to it on the terms set out in this Agreement and it will make full payment for the Subscription Shares allocated to it in accordance with the terms set out in this Agreement;
- (f) it is aware that publicly available information about the Company can be obtained from the Australian Securities and Investments Commission and ASX (<http://www.asx.com.au>); and
- (g) it acknowledges that the Company, the Joint Lead Managers and their respective related bodies corporate are entitled to, and will, rely on the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements;
- (h) it is not an entity controlled by a government or government agency.

#### **7.4 Warranties repeated**

Unless provided for otherwise, each Warranty will be repeated on each day from the Execution Date until and including the Completion Date. The interpretation of any Warranty made is not restricted by reference to or inference from any other Warranty.

#### **7.5 Survival of Warranties**

The Warranties will survive Completion and continue in full force and effect for the benefit of the other party to this Agreement.

#### **7.6 Warranties limited**

The representations and warranties given by the parties are limited to the Warranties expressly set out in this Agreement and all other warranties, representations or undertakings given by or on behalf of any party are expressly excluded and negated.

#### **7.7 Acknowledgements**

The parties acknowledge that each party has entered into this Agreement in reliance on the Warranties given by the other party.

#### **7.8 Further Acknowledgment**

The Subscriber acknowledges that the Company is not issuing the Subscription Shares with the purpose of the Subscriber selling or transferring them, or granting, issuing or transferring interests in, or options over, them.

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### **8. Public Announcements and Confidentiality**

The Company and the Subscriber undertake not to make any public announcement or disclosure to any person in relation to this Agreement, or information of which it has become aware in connection with this Agreement, unless it first consults with and obtains the agreement in writing of the other party to this Agreement, which agreement is not to be unreasonably withheld or delayed, but:

- (a) nothing in this clause prevents a party from making a public announcement or notification where and to the extent that the same is required by the Listing Rules or by the Law, provided that it provides a copy of the draft announcement to the other party as soon as practicable before the final announcement is made or, if that party is not permitted by Law to provide a copy of the draft announcement to the other party before the final announcement is made, as soon as practicable after the final announcement is made; and
- (b) a party will be entitled to make disclosures to the directors, secretary, professional advisers and bankers of that party and its related bodies corporate so long as the party uses all reasonable endeavours to ensure that the matters disclosed are kept confidential.

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## 9. Notices

### 9.1 Notices

Any notice or other communication which must be given, served or made under or in connection with this Agreement:

- (a) must be in writing in order to be valid;
- (b) is sufficient if executed by the party giving, serving or making the notice or on its behalf by any attorney, director, secretary, other duly authorised officer or solicitor of such party;
- (c) will be deemed to have been duly served, given or made in relation to a person if it is delivered or posted by prepaid post to the address, or sent by facsimile to the number of that person set out in this Agreement (or at such other address or number as is notified in writing by that person to the other parties from time to time); and
- (d) will be deemed to be served, given or made:
  - (i) (in the case of prepaid post) on the second Business Day after the date of posting - in the case of post sent within Australia, and on the sixth Business Day after the date of posting - in the case of post sent to or from Australia;
  - (ii) (in the case of facsimile) when the sender receives a transmission report confirming successful transmission where the facsimile is transmitted in full between 9.00 am and 5.00 pm on a business day, or otherwise, at 9.00 am on the next business day after the sender receives a transmission report confirming successful transmission. For the purposes of this paragraph (ii), a "business day" means a day that is not a Saturday, Sunday, public holiday or bank holiday in the city where the facsimile is received; and
  - (iii) (in the case of delivery by hand) on delivery.

### 9.2 Address for service

The parties' respective addresses and facsimile numbers for service of notices or other communications under this Agreement are:

(a) **the Company:**

Name: Atlantic Ltd  
Address: Level 29 Bankwest Tower, 108 St Georges Terrace  
Perth, WA, 6000  
Fax: +61 8 6311 4617  
For the attention of: Mr Tony Veitch

(b) **the Subscriber:**

Name: Droxford International Limited  
Address: P.O. Box 957, Offshore Incorporations Centre, Road Town,  
Tortola, British Virgin Islands  
Fax: +65 6337 8556  
For the attention of: Suzanne Liau / Melissa Tan

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## **10. General**

### **10.1 Governing law**

This Agreement is governed by and is to be construed according to the laws of Western Australia.

### **10.2 Jurisdiction**

- (a) **(Acceptance of jurisdiction):** Each of the parties irrevocably submits to and accepts generally and unconditionally the non-exclusive jurisdiction of the courts and appellate courts of the state of Western Australia and the Commonwealth of Australia with respect to any legal action or proceedings which may be brought at any time relating in any way to this Agreement.
- (b) **(No objection to inconvenient forum):** Each of the parties irrevocably waives any objection it may now or in the future have to the venue of any action or proceedings, and any claim it may now or in the future have that the action or proceeding has been brought in an inconvenient forum.

### **10.3 Severability**

Any provision of this Agreement which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions.

### **10.4 Amendments**

This Agreement may not be modified, amended or otherwise varied except by a document in writing signed by or on behalf of each of the parties.

### **10.5 Waiver**

No waiver or indulgence by any party to this Agreement is binding on the parties unless it is in writing. No waiver of one breach of any term or condition of this Agreement will operate as a waiver of another breach of the same or any other term or condition of this Agreement.

### **10.6 Further acts**

The parties will promptly do and perform all further acts and execute and deliver all further documents required by law or reasonably requested by any other party to carry out and effect the intent and purpose of this Agreement.

### **10.7 Approvals**

Subject to any law to the contrary and unless this Agreement expressly provides otherwise, where the doing or execution of any act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party.

## **10.8 Counterparts**

This Agreement may be executed in any number of counterparts (whether in original or a copy transmitted by fax), all of which taken together constitute one and the same document.

## **10.9 Expenses**

Subject to clause 10.10, each of the parties will bear and pay its own expenses, including legal fees, costs and disbursements incurred by it in connection with the preparation and execution of this Agreement and any subsequent consent, agreement, approval, waiver or amendment to this Agreement.

## **10.10 Stamp duties**

The Subscriber must pay all stamp duties (apart from receipts duties, financial institutions duties or bank account debits taxes which will lie between the parties as they fall) assessed on or in relation to this Agreement or in connection with any of the matters or transactions or sales under this Agreement.

## **10.11 Assignments**

- (a) Subject to clause 2.2, the Subscriber may only assign its rights under this Agreement if it first obtains the Company's written consent.
- (b) The Company may not assign any of its rights or obligations under this Agreement without the prior written consent of the Subscriber.

## **10.12 Merger**

- (a) **(No merger):** The rights and obligations of the parties in respect of representations, warranties, undertakings and indemnities in this Agreement will be continuing representations, warranties, undertakings and indemnities and accordingly will not be merged or extinguished by or on Completion, or be prejudiced or affected by the Subscriber's acceptance of the Subscription Shares under this Agreement, or by the payment of the whole or any part of the Subscription Price, or any other money payable under this Agreement.
- (b) **(Continuing nature of agreement):** Notwithstanding Completion, the provisions of this Agreement will remain in full force and effect as to the obligations of the parties remaining to be performed after Completion.

## **10.13 Survival of Indemnities, Representations, Warranties and Undertakings**

All representations, warranties, undertakings and indemnities given by the Company shall continue in full force and effect after Completion and shall survive termination of this Agreement.

## **10.14 Power of attorney**

- (a) **(No notice of revocation):** Each attorney who signs this Agreement on behalf of a party declares that the attorney has no notice from the party who appointed him that the power of attorney granted to him, under which the attorney signs this Agreement, has been revoked or suspended in any way.
- (b) **(Due authorisation):** Each party represents and warrants to each other that its respective attorney or authorised officer who signs this Agreement on behalf of

that party has been duly authorised by that party to sign this Agreement on its behalf and that authorisation has not been revoked.

**10.15 Entire agreement**

This Agreement constitutes the sole and entire agreement between the parties in relation to the issue and subscription of the Subscription Shares and contains all of the representations, warranties, undertakings and agreements of and between the parties.

**SIGNED** as an agreement.

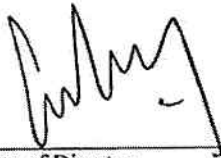
**Executed by ATLANTIC LTD (ACN 009 213 763)** in accordance with section 127 of the Corporations Act 2001 (Cth):



\_\_\_\_\_  
Signature of Director

MICHAEL MIODSOLA  
Name of Director in full

**Executed by:**  
Droxford International Limited



\_\_\_\_\_  
Signature of Director

ANTHONI SALIM  
Name of Director in full



\_\_\_\_\_  
Signature of ~~Secretary~~/other Director

TOM VEITCH  
Name of ~~Secretary~~/other Director in full

\_\_\_\_\_  
Signature of Secretary/other Director

\_\_\_\_\_  
Name of Secretary/other Director in full

