

16 April 2013

**CLEANSING NOTICE**  
**Section 708AA(2)(f) of the Corporations Act (Cth)**

On 16 April 2013 IEC Corporation Limited (ASX:IEC) ("IEC") announced a 2 for 15 underwritten non-renounceable rights issue at an issue price of \$0.14 (14c) per new share to eligible shareholders with a record date of 24 April 2013 (**Record Date**). 32,354,361 fully paid ordinary shares in the capital of the Company (**New Shares**) will be issued to raise approximately \$4.5 million (before expenses of the issue) (**Rights Issue**).

Pursuant to section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**), IEC gives notice that:

1. IEC will offer the New Shares without disclosure to investors under Part 6D.2 of the Act.
2. As at the date of this notice, IEC has complied with the provisions of Chapter 2M of the Act as they apply to IEC and section 674 of the Act.
3. As at the date of this notice there is no information that has been excluded from a continuous disclosure notice given to ASX in accordance with the ASX Listing Rules and which investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of IEC; and
  - (ii) the rights and liabilities attaching to fully paid ordinary shares.
4. The potential effect of the Rights Issue on the control of IEC, and the consequences of that effect, is set out below:

The following Underwriters are Related Parties of the Company. Aspac Mining Limited ("Aspac") is controlled by Mr Robertson, the Chairman of the Company. Cobblyn Investments Pty Ltd ("Cobblyn") is controlled by Mr Warrant, a Director of the Company. D&H Mason Investment Pty Ltd ("D&H") and Rothstein Pty Ltd ("Rothstein") are controlled by Mr Mason, a Director of the Company. Lujeta Pty Ltd ("Lujeta") is controlled by Mr Paterson, a Director of the Company.

Farjoy Pty Ltd ("Farjoy") and Aspac have previously notified ASIC and ASX that they consider themselves to be associates for the purposes of the Corporations Act in relation to their shareholding in the Company. Farjoy is controlled by Mr

Robertson's father. Nuvolari Capital Limited ("Nuvolari") is an associate of an existing Shareholder, Springtide Capital Pty Ltd but is not a Related Party of the Company. The table below shows the current individual shareholding, relevant interest and voting power of the Underwriters (including their respective associates) and that of Farjoy and Aspac in their joint capacity as associates. The table provides a range of shareholdings that they may have in the Company after completion of the Entitlement Offer



Pursuant to the Underwriting Agreement, each of the Underwriters and the entities they control are required to take up their full Entitlements. The figures in the table below assume that the Underwriters will fulfil this obligation under the Underwriting Agreement.

In scenario 1 the Entitlement Offer is fully subscribed by all Shareholders, which includes the Underwriters as Shareholders of the Company. In this scenario, as all Entitlements have been taken up, there will be no Shortfall for the Underwriters to underwrite.

In scenario 2 the Underwriters and Farjoy take up their full Entitlements, and the remaining Entitlements are 50% taken up by the other Shareholders (and therefore 50% of the remaining Entitlements form the Shortfall). In this scenario, the Underwriters must underwrite the remaining Entitlements that were not taken up by the other Shareholders.

In scenario 3 the Underwriters take up their full Entitlements, and none of the remaining Entitlements are taken up by the other Shareholders (and therefore 100% of the remaining Entitlements form the Shortfall). In this scenario, the Underwriters must underwrite all of the remaining Entitlements that were not taken up by the other Shareholders.

		<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>
<b>Underwriter (including associates)</b>	<b>Shareholding Pre Entitlement Offer</b>	<b>Entitlement Offer Fully Subscribed</b>	<b>Entitlement Offer 50% Subscribed – 50% Underwritten</b>	<b>Fully Unsubscribed Entitlement Offer – 100% Underwritten</b>
Cobblyn	0.55%	0.55%	0.69%	0.87%
D&H and Rothstein	1.19%	1.19%	1.64%	2.20%
Lujeta	7.09%	7.09%	8.09%	9.35%
Aspac	18.86%	18.86%	20.75%	23.14%
Farjoy and Aspac	27.29%	27.29%	29.18%	30.57%
Nuvolari	0.68%	0.68%	0.93%	1.25%

Prior to engaging the Underwriters, the Board considered a number of funding arrangements, including with unrelated existing and potential investors, which was its preferred course. This included approaching several institutional investors and fund managers, and conducting several investor presentations. No funding was offered on terms that the Board considered to be in the best interests of the Company.

To obtain certainty with respect to the amount of funds to be raised under the Entitlement Offer, the Board resolved that underwriters could be parties controlled by shareholders (or their associates) who have current board representation in the Company. The associates of each Director and Underwriter are described above.



**INTRA ENERGY**

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Regardless of the amount of any Shortfall taken up by the Underwriters, each Underwriter has informed the Board that they have no intention of changing the Company's strategy, operations or business in any manner, and that they fully support the Board in its current endeavours. In addition, each Underwriter has indicated that they will not seek to change any board representation they currently have, as a result of their underwriting commitment under this Entitlement Offer.

Yours sincerely

**Rozanna Lee**  
Company Secretary