

14 April 2009

Company Announcements Platform
Australian Securities Exchange

By E-Lodgement

Dear Sir/Madam

NON-RENOUNCEABLE ENTITLEMENT ISSUE - NOTICE PURSUANT TO PARAGRAPH 708AA (2)(F) OF THE CORPORATIONS ACT 2001 (ACT)

The Board of Australasia Gold Limited (ASX:AAO) (**Company**) is pleased to announce that it will be offering eligible shareholders the opportunity to acquire additional fully paid ordinary shares in the capital of the Company (**Shares**) via a non-renounceable entitlement issue (**Entitlement Issue**) on the basis of one (1) Share for every four (4) Shares held at the record date of 23 April 2009.

Shares under the Entitlement Issue will be offered at 2 cents per Share. The maximum number of Shares which may be issued under the Entitlement Issue is 20,099,935 to raise \$401,999.

An Offer Document will be mailed to eligible shareholders together with personalised Entitlement and Acceptance Forms. For informational purposes, a sample copy of this Offer Document has been attached to this notice.

NOTICE UNDER SECTION 708AA OF THE ACT

The Company hereby notifies ASX under paragraph 708AA(2)(f) of the Act that:

- (a) the Company will offer the Shares for issue without disclosure to investors under Part 6D.2 of the Act;
- (b) the Company is providing this notice under paragraph 2(f) of section 708AA of the Act;
- (c) as at the date of this announcement, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
- (d) as at the date of this announcement, the Company has complied with section 674 of the Act; and

- (e) as at the date of this announcement, there is no information:
 - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (B) the rights and liabilities attaching to the Shares.

Yours faithfully

Trevor Ireland
MANAGING DIRECTOR

AUSTRALASIA GOLD LIMITED
ABN 93 104 757 904

OFFER DOCUMENT

For a non-renounceable entitlement issue of one (1) New Share for every four (4) Shares held by Shareholders registered at 5:00pm (WST) on 23 April 2009 at an issue price of 2 cents per Share to raise up to approximately \$401,999 (**Offer**).

IMPORTANT NOTICE

This document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

This Offer opens on 24 April 2009 and closes at 5:00pm WST on 11 May 2009.

Valid acceptances must be received before that time.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

IMPORTANT NOTES

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

Eligibility

Applications for New Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of the Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

Shareholders resident in New Zealand should consult their professional advisors as to whether any government or other consents are required, or other formalities need to be observed, to enable them to take up their Entitlements under the Offer.

Privacy Act

If you complete an application for New Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to accept or process your application.

TABLE OF CONTENTS

1.	DETAILS OF THE OFFER.....	6
2.	ACTION REQUIRED BY SHAREHOLDERS	10
3.	RISK FACTORS	11
4.	DEFINED TERMS.....	15

1. DETAILS OF THE OFFER

1.1 The Offer

The Company is making a non-renounceable pro rata offer of New Shares on the basis of one (1) New Share for every four (4) Shares held on the Record Date at an issue price of 2 cents each (**Offer**).

The Company intends to apply the funds raised from the Offer as follows:

Item of Expenditure	Amount (\$)
Evaluation and acquisition of new projects	180,000
General Working Capital	171,999
Expenses of the Offer	50,000
TOTAL	\$401,999

As at the Record Date, the Company has on issue 80,399,737 Shares and 4,570,000 unlisted options. The Company expects that up to approximately 20,099,935 New Shares will be issued under the Offer.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Share, such fraction will be rounded up to the nearest whole New Share.

1.2 Timetable

Event	Date
Announcement of Offer and Appendix 3B	14 April 2009
Notice sent to Security Holders	16 April 2009
Ex Date (date from which securities commence trading without the entitlement to participate in the Entitlement Issue)	17 April 2009
Record Date (date for determining entitlements of eligible shareholders to participate in the Entitlement Issue)	23 April 2009
First Cleansing Notice and Offer Document lodged with ASX	24 April 2009
Offer Document Dispatched to Shareholders (expected date of dispatch of offer document, entitlement and acceptance forms)	24 April 2009
Offer opens	24 April 2009

Closing Date*	5pm (WST)	11 May 2009
Allotment date/ securities quoted on a deferred settlement basis **		12 May 2009
Company to notify ASX of undersubscriptions (if any) **		14 May 2009
Dispatch holding statements **		19 May 2009

* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

** These dates are indicative only.

1.3 Entitlements and acceptance

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document.

Acceptances must not exceed your maximum Entitlement (as shown on the Entitlement and Acceptance Form), although you may accept for a lesser number of New Shares should you wish to take up only part of your Entitlement. If your acceptance exceeds your Entitlement, acceptance will be deemed to be for your maximum Entitlement and any surplus application monies will be returned to you.

1.4 No rights trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse.

1.5 Underwriting

The Company has entered into an underwriting agreement with Nextstar Pty Ltd (**Underwriter**) pursuant to which the Underwriter has agreed to fully underwrite the Offer (**Underwriting Agreement**).

Nextstar Pty Ltd is an entity controlled by Mr John Terpu, a director of the Company. Mr Terpu has a relevant interest (through a controlled entity) in approximately 16.17% of the issued capital of the Company. The Underwriter will facilitate the placement of any Shortfall however, under the terms of the Underwriting Agreement, the Underwriter can not subscribe for any Shares under the Shortfall which would have the effect of increasing the relevant interest of Mr Terpu or any of his associates above 20% in breach of Section 606(1) of the Corporations Act.

The Company has agreed to pay the Underwriter a 5.5% fee on the amount underwritten.

The Underwriter is entitled to terminate the Underwriting Agreement upon the occurrence of any one or more of the termination events (**Termination Event**)

including a fall in the S&P ASX 200 Index, regulatory intervention, insolvency of the Company, the Company undertaking a capital reconstruction and the Company being in breach of its obligations under the Underwriting Agreement. The termination provisions in the Underwriting Agreement are reproduced in full in Annexure A.

1.6 Shortfall

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall and will revert to the Underwriter.

The offer of the Shortfall is a separate offer pursuant to this Offer Document. The issue price of any Shares offered pursuant to the Shortfall Offer shall be 2 cents, being the price at which the Entitlement has been offered to Shareholders pursuant to this Offer Document. The Shortfall shall be placed at the direction of the Underwriter, and the Underwriter reserves the right to allot to an Applicant a lesser number of Shares than the number for which the Applicant applies, or to reject an application, or to not proceed with placing the Shortfall (pursuant to the Underwriting Agreement).

1.7 Opening and Closing Dates

The Offer opens on 24 April 2009. The Company will accept Entitlement and Acceptance Forms until 5:00 pm WST on 11 May 2009 or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

1.8 Issue and despatch

The expected dates for issue of New Shares offered by this Offer Document and despatch of holding statements is expected to occur on the dates specified in the Timetable set out in Section 1.2.

It is the responsibility of applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

1.9 ASX listing

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Document will be made within 7 days after the date of this Offer Document. If approval is not obtained from ASX before the expiration of 3 months after the date of this Offer Document (or such period as varied by the ASIC) the Company will not issue any New Shares and will repay all application monies for the New Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

1.10 CHESS

The Company will apply to ASX to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred

without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number (**HIN**) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

1.11 Overseas Eligible Shareholders

No Offer will be made to Eligible Shareholders resident outside Australia and New Zealand.

New Shares to which any Eligible Shareholders who are not resident in Australia or New Zealand would otherwise be entitled will form part of the Shortfall issued to the Underwriter or their nominees (or alternatively may be placed at the discretion of the Directors in the event that the Underwriting Agreement is terminated).

This Offer Document and accompanying Entitlement and Acceptance Form do not, nor are they intended to, constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

1.12 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

1.13 Risk factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are described in Section 3.

1.14 Enquiries concerning Offer Document

Enquiries concerning the Entitlement and Acceptance Form can be obtained by contacting Computershare Investor Services Pty Ltd by telephone on 1300 556 161. Enquiries relating to this Offer Document should be directed to the Company Secretary by telephone on (08) 9240 4111.

2. ACTION REQUIRED BY SHAREHOLDERS

2.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full:
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept part of your Entitlement:
 - (iii) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (iv) attach your cheque for the appropriate application monies (at 2 cents per Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to **"Australasia Gold Limited – Share Account"** and crossed **"Not Negotiable"**.

Your completed Entitlement and Acceptance Form and cheque must reach the Company no later than 5:00pm (WST) on the Closing Date.

The Offer is non-renounceable. Accordingly, a holder of Shares may not sell or transfer all or part of their Entitlement.

3. RISK FACTORS

3.1 Introduction

An investment in the Company is not risk free and prospective new investors should consider the risk factors described below, together with information contained elsewhere in this Offer Document, before deciding whether to apply for Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

3.2 Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

3.3 Share Market Conditions

There are general risks associated with any investment in the share market. The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

3.4 Exploration Success

The future profitability of the Company and the value of its securities is directly related to the results of exploration. The mineral tenements held by the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Company's tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. In addition, mineable resources may become depleted, resulting in a reduction of the value of those tenements.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

3.5 Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

3.6 Resource Estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

3.7 Commodity Price Volatility and Exchange Rate Risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities, including gold, are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

3.8 Environmental Risks

The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

3.9 Title Risks and Native Title

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

3.10 Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be.

3.11 Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

3.12 Further risks specific to the Company

The current and future operations of the Company, including exploration, appraisal and production activities, may be affected by a range of factors, including:

- (a) geological conditions;
- (b) alteration to exploration and production programmes and budgets;
- (c) unanticipated operational and technical difficulties;
- (d) mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;
- (e) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;

- (f) prevention or restriction of access by reason of political unrest, outbreak of hostilities or inability to obtain consents or approvals (including access agreements entered into with Native Title claimants); and
- (g) uninsured losses or liabilities.

3.13 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Offer Document. Therefore, the securities to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Offer Document.

4. DEFINED TERMS

Applicant refers to a person who submits an Entitlement and Acceptance Form.

Application refers to the submission of an Entitlement and Acceptance Form.

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Closing Date means 5.00pm (WST) on 11 May 2009.

Company means Australasia Gold Limited (ABN 93 104 757 904).

Directors means the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date.

Entitlement means the entitlement to subscribe for one (1) New Share for every four (4) Shares held by an Eligible Shareholder on the Record Date and **Entitlements** has a corresponding meaning.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Listing Rules means the Listing Rules of the ASX.

New Share means a new Share proposed to be issued pursuant to this Offer.

Offer means the non-renounceable pro rata offer of New Shares at an issue price of 2 cents each on the basis of one (1) New Share for every four (4) Shares held on the Record Date pursuant to this Offer Document.

Offer Document means this Offer Document dated 24 April 2009.

Opening Date means 24 April 2009.

Record Date means 23 April 2009.

Section means a section of this Offer Document.

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

Shortfall means those Shares under the Offer not applied for by Shareholders under their Entitlement.

Shortfall Offer means the offer for the Shortfall pursuant to this Offer Document.

Shareholder means a holder of Shares.

Underwriter means Nextstar Pty Ltd (ACN 112 750 375).

WST means Australian Western Standard Time.

ANNEXURE A – TERMINATION EVENTS

The Underwriter may terminate its obligations under this Agreement if prior to 5pm on the Closing Date (unless expressly provided otherwise in this clause):

- (a) **(Indices fall)**: the S&P ASX 200 Index is at any time after the date of this Agreement 10% or more below its level as at the close of business on the Business Day prior to the date of this Agreement;
- (b) **(Offer Document)**: the Company does not dispatch the Offer Document to Shareholders on the Dispatch Date or the Offer Document or the Offer is withdrawn by the Company;
- (c) **(No Quotation Approval)**: the Company fails to lodge an Appendix 3B in relation to the Underwritten Shares with ASX by the time required by the Corporations Act, the Listing Rules or any other regulation;
- (d) **(Non-compliance with requirements)**: the Offer Document does not contain all the information required by the Corporations Act;
- (e) **(Restriction on allotment)**: the Company is prevented from allotting the Underwritten Shares within the time required by this Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (f) **(ASIC application)**: an order is made under Section 1324B or any other provision of the Corporations Act in relation to the Offer Document;
- (g) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a Material Adverse Effect;
- (h) **(Authorisation)**: any authorisation which is material to anything referred to in the Offer Document is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (i) **(Indictable offence)**: a director of the Company is charged with an indictable offence; or
- (j) **(Termination Events)**: subject always to clause 10.2 of the Underwriting Agreement, any of the following events occurs:
 - (i) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China or any member of the European Union (**Specified Countries**) other than hostilities involving Afghanistan, Iraq, Iran, Syria, Lebanon or Israel and the Underwriter believes (on reasonable grounds) that the outbreak or escalation is likely to result in the S&P ASX 200 Index falling by the percentage contemplated by clause 10.2(a) of this Agreement;
 - (ii) **(Default)**: default or breach by the Company under this Agreement of any terms, condition, covenant or undertaking;

- (iii) **(Incorrect or untrue representation):** any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect;
- (iv) **(Contravention of constitution or Act):** a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (v) **(Adverse change):** an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of this Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company;
- (vi) **(Error in Due Diligence Results):** it transpires that any of the Due Diligence Results or any part of the Verification Material was materially false, misleading or deceptive or that there was a material omission from them;
- (vii) **(Public statements):** without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Offer Document;
- (viii) **(Misleading information):** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (ix) **(Official Quotation qualified):** the official quotation is qualified or conditional other than as set out in clause 1.3 of the Underwriting Agreement;
- (x) **(Change in Act or policy):** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (xi) **(Prescribed Occurrence):** a Prescribed Occurrence occurs;
- (xii) **(Suspension of debt payments):** the Company suspends payment of its debts generally;
- (xiii) **(Event of Insolvency):** an Event of Insolvency occurs in respect of a Relevant Company;
- (xiv) **(Judgment against a Relevant Company):** a judgment in an amount exceeding \$100,000.00 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xv) **(Litigation):** litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against any Relevant Company;

- (xvi) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Shares without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);
- (xvii) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Issue, a matter disclosed in the Offer Document) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xviii) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 5 Business Days;
- (xix) **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xx) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxi) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Offer Document;
- (xxii) **(Breach of Material Contracts)**: any of the Contracts are terminated or substantially modified; or
- (xxiii) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

Definitions

The definitions used in the summary of this Underwriting Agreement are the same as used in the Offer Document except as set out below:

Contracts means all material agreements of the Company as disclosed to ASX.

Dispatch Date means 19 May 2009 or such other date as agreed between the parties.

Due Diligence Program means an appropriate due diligence program implemented by the Company for the purpose of preparing the Offer Document and the Cleansing Notice and ensuring that the Offer Document and the Cleansing Notice comply with the Corporations Act, which program will consist of, inter alia, completion of due diligence questionnaires (in a form acceptable to the Underwriter) by all of the directors of the Company, a legal review of the Offer Document by the Company's legal advisers and completion of verification of the information contained in the Offer Document.

Due Diligence Results means the results of the investigations which make up the Due Diligence Program and all supporting reports, documents and work papers to which the Due Diligence Program relates.

Event of Insolvency means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, Controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 21 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 a person referred to in paragraphs (a) or (b);
 - (ii) winding up a corporation; or
 - (iii) proposing or implementing a scheme of arrangement;
- (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 moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
- (f) 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; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

Force Majeure means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties.

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 of the assets of any person.

Issue means a renounceable entitlement issue of the Underwritten Shares on the basis of one (1) new Share for every four (4) Shares held on the Record Date, as offered pursuant to the Offer Document.

Material Adverse Effect means:

- (a) a material adverse effect on the outcome of the Offer or on the subsequent market for the Underwritten Shares (including, without limitation, a material adverse effect on a decision of an investor to invest in Underwritten Shares); or

- (b) a material adverse effect on the condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries taken as a whole.

Prescribed Occurrence means:

- (a) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
- (b) a Relevant Company resolving to reduce its share capital in any way;
- (c) a Relevant Company:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under Section 257D or 257E of the Corporations Act;
- (d) a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares or any other securities, or agreeing to make such an issue or grant such an option (other than pursuant to the Offer and other than any shares issued as a result of the exercise of any Options on issue as at the Date of this Agreement);
- (e) a Relevant Company issuing, or agreeing to issue, convertible notes;
- (f) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) a Relevant Company charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) a Relevant Company resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator of a Relevant Company;
- (j) the making of an order by a court for the winding up of a Relevant Company;
- (k) an administrator of a Relevant Company, being appointed under Section 436A, 436B or 436C of the Corporations Act;
- (l) a Relevant Company executing a deed of company arrangement; or
- (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company.

Relevant Company means the Company and each Subsidiary.

Subsidiary means each company which is now, or before the issue of all the Underwritten Shares becomes, a subsidiary of the Company as that term is defined in the Corporations Act.

Timetable means the timetable set out in the Offer Document.

Verification Material means the material maintained by the Company being the documents and information provided by the Company in verification of the statements made in the Offer Document, as inspected and approved by the Underwriter immediately before the Dispatch Date.