

**C L I F F O R D
C H A N C E****CLIFFORD CHANCE**

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Nathan Boom
Company Secretary
TerraCom Limited
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THIRROUL NSW 2515
Facsimile: +61 2 9287 0309
Email: info@terracomresources.com
By facsimile transmission and email

8 May 2017

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000
Facsimile: 1300 135 638
By facsimile transmission

Dear Sir/Madam

Substantial holding in TerraCom Limited

We enclose a Form 604 – Notice of change of interests of substantial holder for OCP Asia (Hong Kong) Limited and other entities listed in section 1 of the Form 604.

Yours faithfully

**Clifford Chance***Contact: Tracey Renshaw***Enclosures**

Form 604

Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

<u>To</u> Company Name/Scheme	TerraCom Limited ("TER")
ACN/ARSN	143 533 537
1. Details of substantial holder (1)	
Name	OCP Asia (Hong Kong) Limited and all its related bodies corporate and associates as investment manager of OL Master Limited and Orchard Makira Master Limited investment funds (together, the "OCP Group").
ACN/ARSN (if applicable)	N/A
There was a change in the interests of the substantial holder on	<u>04/05/2017</u>
The previous notice was given to the company on	<u>07/04/2017</u>
The previous notice was dated	<u>07/04/2017</u>

2. Previous and present 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 when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Fully paid ordinary shares	369,302,815	Approximately 13.6% (subject to the terms and conditions of warrants and options described in the notice dated 20/01/2016)	431,128,081	Approximately 15.9% (subject to the terms and conditions of warrants and options described in the notice dated 20/01/2016 and as amended by the Amendment Letter dated 04/05/2017 (see Annexure A))

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a related interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
04/05/2017	OCP Group	Revised number of TER Shares which OL Master Limited has the right to be transferred under the terms and conditions of the Warrant Deed Poll (accompanying the notice of the substantial holder dated 20/01/2016 as Annexure A) and the Subscription Deed as defined in the Warrant Deed Poll and as amended by the Amendment Letter dated 04/05/2017 (see Annexure A).	N/A	97,603,434 fully paid ordinary shares (based on current exchange rate)	97,603,434 fully paid ordinary shares (based on current exchange rate)
Various	OCP Group	Revised number of TER Shares which OL Master Limited has the right to be transferred under the terms and conditions of the Option Deed Poll (accompanying the notice of the substantial holder dated 20/01/2016 as Annexure B) as a result of a change in the exchange rate since the date of previous notice.	N/A	102,134,209 fully paid ordinary shares (based on current exchange rate)	102,134,209 (based on current exchange rate)

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
OCP Group	Orchard Makira Master Limited	Orchard Makira Master Limited	Relevant interest under section 608(1) and (3) of the Corporations Act 2001.	6,857,408 fully paid ordinary shares	6,857,408
OCP Group	C1 Commodities Pte. Ltd (or its nominee)	OL Master Limited has the right (upon payment of the Exercise Price as defined in the Warrant Deed Poll) accompanying the notice of the substantial holder dated 20/01/2016 as Annexure A and in accordance with the terms and conditions of the Warrant Deed Poll) to be transferred TER shares on the terms and conditions of the Warrant Deed Poll and the Subscription Deed as defined in the Warrant Deed Poll and as amended by the Amendment Letter dated 04/05/2017 (see Annexure A).	Relevant interest under section 608(8) and (3) of the Corporations Act 2001 pursuant to the terms and conditions of a Warrant Deed Poll.	97,603,434 fully paid ordinary shares (based on current exchange rate)	97,603,434 (based on current exchange rate)
OCP Group	Rastas Limited (or its nominee)	OL Master Limited has the right (upon payment of the Exercise Price and in accordance with the terms and conditions of the Option Deed Poll) accompanying the notice of the substantial holder dated 20/01/2016 as Annexure B) to be transferred TER shares on the terms and conditions in the Option Deed Poll.	Relevant interest under section 608(8) and (3) of the Corporations Act 2001 pursuant to the terms and conditions of an Option Deed Poll.	102,134,209 fully paid ordinary shares (based on current exchange rate)	102,134,209 (based on current exchange rate)
OCP Group	OL Master Limited	OL Master Limited	Relevant interest under section 608(1) and (3) of the Corporations Act 2001.	224,533,029 fully paid ordinary shares	224,533,029

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A


6. Addresses

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

Name	Address
OL Master Limited	14/F Shanghai Commercial Bank Tower, 12 Queen's Road, Central, Hong Kong
Orchard Makira Master Limited	14/F Shanghai Commercial Bank Tower, 12 Queen's Road, Central, Hong Kong
OCP Asia (Hong Kong) Limited	14/F Shanghai Commercial Bank Tower, 12 Queen's Road, Central, Hong Kong

Signature

print name COLIN SMITH capacity Authorised Signatory

sign here  date 8.5.17

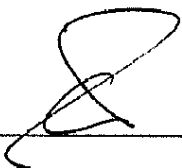
DIRECTIONS

- (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 6 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 person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. 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.
- (7) Details of the consideration must include any and all benefits, money 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.
- (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) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

Annexure A

This is the Annexure of 7 pages marked **Annexure A** referred to in Form 604 – Notice of change of interests of substantial holder.

The enclosed document is a true copy of the Amendment Letter dated 4 May 2017 between C1 Commodities Pte. Ltd. and OL Master Limited.



Name: COLIN SMITH

Authorised Signatory

Date: 8.5.17

EXECUTION VERSION

To: OL Master Limited (the "Sole Noteholder")

Date: ~~April~~ 2017

Dear Sirs,

4th MAY

Amendment Letter

We refer to the warrant deed originally dated 23 May 2014 granted by C1 Commodities Pte. Ltd. ("C1C") in favour of each person who is from time to time a Warrantholder (at the date of this letter, the Sole Noteholder) (the "Warrant Deed").

Unless defined in this letter or the context otherwise requires, a term defined in the Note Trust Deed (including by incorporation) or the Warrant Deed (as defined in the Note Trust Deed) has the same meaning in this letter.

Clauses 1.2 (*Headings*), 1.3 (*References to certain general terms*) and 1.4 (*Business Day*) of the Warrant Deed will apply as if incorporated in this letter as if all references in such clauses to the Warrant Deed were a reference to this letter.

1. BACKGROUND

- (a) The Company has failed in its obligation to maintain sufficient collateral cover in respect of the Notes pursuant to its obligation under Clause 7.2 (*Security maintenance*) of the Note Trust Deed and has requested a waiver in respect of that breach pursuant to a waiver letter dated on the date of this letter between the Company and the Note Trustee (acting on behalf of the Beneficiaries, including the Sole Noteholder) (the "Waiver Letter").
- (b) In consideration for the waiver requested by the Company pursuant to the Waiver Letter, C1C intends to make certain amendments to the Warrant Deed, including amending the Conversion Price and extending the Exercise Period. Such amendments will be conditional upon the Sole Noteholder (as Warrantholder) obtaining any approvals it considers necessary (at its sole discretion) from the Foreign Investment Review Board ("FIRB").

2. AMENDMENTS TO THE WARRANT DEED

On and from the date that the Sole Noteholder confirms to CIC in writing that it has received any such approval(s) from FIRB that it deems necessary in relation to the amendments contemplated in this paragraph (such approval(s) to be in a form and substance satisfactory to the Sole Noteholder) (the "**Effective Date**"), in consideration of the Note Trustee granting the waiver request pursuant to the terms and conditions of the Waiver Letter, CIC agrees to amend the terms of the Warrant Deed as follows:

- (a) in clause 1.1 (*Definitions*) of the Warrant Deed, in the definition of "*Warrant Period*" the number "36" shall be deleted and replaced with the number "60", such that the end of the Exercise Period shall be extended to 23 May 2019; and
- (b) in paragraph 1.1(b) (*Exercise Price*) of schedule 2 (*GUF Shares Warrant Conditions*) to the Warrant Deed, the words "A\$0.08" in the line commencing "C=" shall be deleted and replaced with the words "A\$0.032".

For the avoidance of doubt, the condition to the occurrence of the Effective Date is for the sole benefit of the Sole Noteholder.

3. UNDERTAKINGS

On the Effective Date, in consideration of the Note Trustee granting the waiver request pursuant to the terms and conditions of the Waiver Letter, CIC undertakes to the Sole Noteholder (the "**Undertakings**") to:

- (a) issue a new Warrant Certificate to the Sole Noteholder (as Warrantholder) reflecting the new lapse date of 23 May 2019; and
- (b) update the Register to reflect that the period of conversion is any time between the date of certificate grant and 60 months after issue.

4. CONFIRMATIONS

CIC confirms to the Sole Noteholder that:

- (a) it acknowledges, consents to and agrees to the matters set out in this letter;
- (b) that all obligations and liabilities owed by it under or in connection with the C1 Guarantee, Original Issuer Guarantee and the Note Trust Deed (as relevant)

remain in full force and effect notwithstanding the waivers and other matters set out in this letter;

- (c) each Encumbrance created or expressed to be created by it shall remain in full force and effect notwithstanding the waivers and other matters set out in this letter; and
- (d) each Encumbrance created or expressed to be created by it continues to secure the Secured Moneys (as defined in the Security to which it is party) under the Transaction Documents,

including in each case as modified or supplemented by this letter.

5. MISCELLANEOUS

- (a) This letter shall not be construed as (i) amending the terms of any Transaction Document or (ii) prejudicing or waiving any right, power or remedy of the Note Trustee, any Beneficiary or a Warrantholder under any Transaction Document, other than as expressly set out in paragraph 2 (Amendments to the Warrant Deed) above.
- (b) Once this letter is signed by all parties to it, C1C agrees, within twenty (20) Business Days' of a demand by the Sole Noteholder, to pay to the Sole Noteholder the amount of all costs and expenses (including legal fees) reasonably incurred by the Sole Noteholder in connection with the negotiation, preparation and execution of this letter or the Undertakings contained in this letter.
- (c) The representations and warranties given under clause 4 (*Representations and warranties*) of the Original Issuer Guarantee are deemed to be made by C1C (by reference to the facts and circumstances then existing) to each Note Party on:
 - (i) the date of this letter; and
 - (ii) the Effective Date,and references to "this deed" in those representations should be construed as references to this letter.
- (d) The representations and warranties given under each Security to which C1C is a party are deemed to be repeated by each of them (as relevant, by reference to the facts and circumstances then existing) to each Note Party on:

(iii) the date of this letter; and

(iv) the Effective Date,

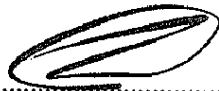
and references to "this deed" in those representations should be construed as references to this letter.

6. FURTHER ASSURANCE, COUNTERPARTS AND GOVERNING LAW

- (a) CIC agrees that it shall, at its own cost and expense, promptly do all acts and execute all documents as may be necessary or desirable to give effect to this letter and the transactions and agreements contemplated herein.
- (b) This letter may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this letter.
- (c) This letter shall be governed by the laws of New South Wales and upon execution by CIC shall take effect as a deed poll for the benefit of the Sole Noteholder.

Yours faithfully

The **COMMON SEAL** of)
C1 COMMODITIES PTE. LTD. was)
affixed hereto in accordance with its)
Articles of Association)



.....
Signature of director

Craig Andrew Wallace

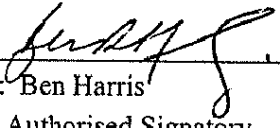
.....
Name of director (block letters)

.....
Signature of director/ secretary/
authorised signatory

BALJIT SINGH

.....
Name of director/ secretary/ authorised
signatory

For and on behalf of
OL MASTER LIMITED

By: 
Name: Ben Harris
Title: Authorised Signatory