

Annexure A – Key terms and conditions of Anzon Takeover Offer

In this Annexure A, capitalised terms have the meanings given in section 5 below, unless provided otherwise.

1. Offer

ROC will make an off-market takeover offer to acquire all AZA Shares which are not already held by ROC or its Related Bodies Corporate (the "**Offer**"). The Offer will also extend to AZA Shares which are issued during the period from the date set by ROC under section 633(2) (the "**Register Date**") of the Corporations Act to the end of the Offer Period due to a conversion or exercise of rights attached to securities which exist, or will exist, as at the Register Date.

2. Offer Consideration

(a) ROC will offer, for each AZA Share:

- (i) A\$0.05 (cash) per AZA Share; and
- (ii) 0.792 ROC Shares (except Ineligible Foreign Shareholders, who will participate in the sale facility described below).

(b) The Offer will include a sale facility, under which:

- (i) the ROC Shares to which Ineligible Foreign Shareholders who accept the Offer are entitled under the Offer; and
- (ii) the ROC Shares to which AZA Shareholders who accept the Offer and elect to participate in the sale facility are entitled under the Offer,

are sold on-market and the net cash proceeds of which are paid to such Ineligible Foreign Shareholders and electing AZA Shareholders.

3. Offer Period

The Offer will be despatched promptly following the court making orders convening the meeting of the members of AEL for the AEL Scheme and will remain open for a minimum of 2 weeks from the implementation date of the AEL Scheme (unless withdrawn under section 652B of the Corporations Act).

4. Offer Conditions

The Offer will be subject to the fulfilment of the following conditions:

(a) AEL Scheme becomes effective

Before the end of the Offer Period the AEL Scheme becomes effective through the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the court in relation to the AEL Scheme under section 411(4)(b) of the Corporations Act.

(b) AIM waiver

Before the end of the Offer Period the London Stock Exchange confirms to ROC that the acquisition of AZA Shares under the Offer will not be classified as a reverse takeover under Rule 14 of the AIM Rules.

(c) Foreign investment approval

Where ROC is a "foreign person" for the purposes of the FATA, one of the following occurs before the end of the Offer Period:

- (i) the Treasurer or his agent advises ROC to the effect that there are no objections to the acquisition by ROC of up to 100% of the AZA Shares not already held by ROC (by any means permitted by the Corporations Act) in terms of the Commonwealth Government's foreign investment policy; or
- (ii) no order is made in relation to the Offer under section 22 of the FATA within a period of 40 days after ROC has notified the Treasurer that it proposes to acquire up to 100% of the AZA Shares not already held by ROC (by any means permitted by the Corporations Act), and no notice is given by the Treasurer to ROC during that period to the effect that there are any objections to the acquisition of up to 100% of the AZA Shares not already held by ROC (by any means permitted by the Corporations Act) in terms of the Commonwealth Government's foreign investment policy; or
- (iii) where an order is made under section 22 of the FATA, a period of 90 days has expired after the order comes into operation and no notice has been given by the Treasurer to ROC during that period to the effect that there are any objections to the acquisition of up to 100% of the AZA Shares not already held by ROC (by any means permitted by the Corporations Act) in terms of the Commonwealth Government's foreign investment policy.

(d) No material adverse change

During the period from the date of the public announcement of the Offer to the end of the Offer Period (each inclusive), no matter, event or circumstance occurs, is announced or becomes known to ROC which has or could reasonably be expected to result in either individually or when aggregated together a diminution of the net assets of the AZA Group by more than \$50 million.

(e) No prescribed occurrences

During the period from the date of the public announcement of the Offer to the end of the Offer Period (each inclusive), none of the following occurrences happens:

- (i) AZA converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (ii) AZA or a subsidiary of AZA resolves to reduce its share capital in any way;

- (iii) AZA or a subsidiary of AZA enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) AZA or a subsidiary of AZA issues shares (other than as a result of the exercise of AZA Options) or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) AZA or a subsidiary of AZA issues, or agrees to issue, convertible notes;
- (vi) AZA or a subsidiary of AZA disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) AZA or a subsidiary of AZA charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) AZA or a subsidiary of AZA resolves to be wound up;
- (ix) a liquidator or provisional liquidator of AZA or of a subsidiary of AZA is appointed;
- (x) a court makes an order for the winding up of AZA or of a subsidiary of AZA;
- (xi) an administrator of AZA or of a subsidiary of AZA is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) AZA or a subsidiary of AZA executes a deed of company arrangement;
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of AZA or a subsidiary of AZA;
- (xiv) AZA or a subsidiary of AZA:
 - (A) acquiring or disposing of;
 - (B) agreeing to acquire or dispose of; or
 - (C) offering, proposing, announcing a bid or tendering for; any business, assets, investments, entity or undertaking, the value of which exceeds \$1 million, other than:
 - (D) the entry into contractual arrangements for any floating production storage and offloading vessel, following consultation with Bidder;
 - (E) the entry into international farm-in opportunities, with the consent of Bidder; or
 - (F) in the ordinary course of conduct of the operations of Anzon or a Material Subsidiary;

- (xv) AZA or a Subsidiary of AZA disposing of or transferring, or entering into an agreement to dispose or transfer, any shares held by AZA or a Subsidiary of AZA in Nexus Energy Limited ABN 64 058 818 278, or AZA disposing or entering into an agreement to dispose of any interest in the Basker-Manta-Gummy Project or AZA ceasing or agreeing to cease to be the operator of that project on the same terms that apply on the date of this announcement.

5. Waiver of conditions

ROC will waive the conditions in paragraph 4(d) and 4(e) on the implementation date of the AEL Scheme.

6. Definitions

In this Annexure A:

"**AEL**" means Anzon Energy Limited ACN 097 972 364.

"**AEL Scheme**" means the scheme of arrangement under Part 5.1 of the Corporations Act between AEL and holders of AEL Shares in respect of all the AEL Shares by virtue of which ROC (or its nominee) will acquire all AEL Shares.

"**AEL Share**" means a fully paid ordinary share in the capital of AEL.

"**AIM Rules**" means the rules published by the London Stock Exchange governing admission to and the operation of the Alternative Investment Market of the London Stock Exchange as amended from time to time.

"**AZA**" means Anzon Australia Limited ACN 107 406 771.

"**AZA Group**" means AZA and its subsidiaries.

"**AZA Options**" means rights granted to participants to subscribe for or acquire Anzon Shares.

"**AZA Shares**" means fully paid ordinary shares in the capital of AZA.

"**AZA Shareholder**" means each person who is registered in the register of members of Anzon as the holder of one or more Anzon Shares.

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

"**FATA**" means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

"**Ineligible Foreign Shareholder**" means an AZA Shareholder who is (or is acting on behalf of) a citizen or resident of a jurisdiction other than residents of Australia and its external territories and New Zealand or whose address as shown in the AZA register of members is in a jurisdiction other than Australia and its external territories and New Zealand, unless ROC in its absolute discretion determines that such an AZA Shareholders is not to be considered an Ineligible Foreign Shareholder.

"**Offer Period**" means the period during which the Offer is open for acceptance.

"Related Bodies Corporate" has the meaning given in section 50 of the Corporations Act.

"ROC" means Roc Oil Company Limited ACN 075 965 856.