

## ASX Announcement

Date: 27 February 2013



### Texon Petroleum Ltd

ABN 24 119 737 772

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Brisbane, Qld Australia 4000

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**ASX Code: TXN**

## Demerger and Acquisition Schemes Effective

Texon Petroleum Ltd (ASX:TXN, **Texon**) advises that the proposed schemes of arrangement under which Talon Petroleum Limited (**Talon**) will be demerged from Texon (**Demerger Scheme**) and Texon will be acquired by Sundance Energy Australia Limited (ASX:SEA, **Sundance**) (**Acquisition Scheme**) approved by Texon shareholders at meetings held on 25 February 2013 and approved by the Federal Court of Australia earlier today have now become effective.

### Court orders

Texon has today lodged the orders of the Federal Court of Australia approving the Demerger and Acquisition Schemes with the Australian Securities and Investments Commission.

Copies of the orders, as well as the approved forms of the Demerger and Acquisition Schemes, are attached to this announcement.

### Resignation and appointment of directors

As a result of the Demerger and Acquisition Schemes becoming effective, the following Texon directors, John Armstrong, Bernard Rowley and David Mason, have resigned from the Texon board effective from the time when the Demerger and Acquisition Schemes became effective today.

Mike Hannell, Damien Hannes and Eric McCrady have been appointed as Texon directors effective from the time when the Demerger and Acquisition Schemes became effective earlier today.

### Further information

Texon shareholders with any questions are encouraged to contact the Texon Shareholder Information Line on 1300 378 879 (within Australia) or +61 3 9415 4012 (outside Australia) Monday to Friday between 8.30am and 5.00pm (Brisbane time).

-ends

No: (P)NSD2228/2012

Federal Court of Australia  
District Registry: New South Wales  
Division: General

**TEXON PETROLEUM LIMITED ABN 24 119 737 772**  
Plaintiff

### **ORDER**

**JUDGE:** Justice Farrell  
**DATE OF ORDER:** 27 February 2013  
**WHERE MADE:** Sydney

#### **THE COURT ORDERS THAT:**

1. Pursuant to section 411(4)(b) of the *Corporations Act 2001* (Cth) (**Act**) the Scheme of Arrangement between the Plaintiff, Texon Petroleum Limited ABN 24 119 737 772 (**TPL**) and its members, in the form of Exhibit 2 in this proceeding, be approved.
2. The Plaintiff lodge with the Australian Securities and Investments Commission a copy of the approved scheme of arrangement at the time of lodging a copy of these Orders.
3. Pursuant to section 411(12) of the Act, TPL be exempted from compliance with section 411(11) of the Act in relation to the order in paragraph 1 above.
4. There be no order as to costs.
5. The Orders be entered forthwith.

Date that entry is stamped: 27 February 2013



Deputy District Registrar

## Demerger Scheme

### Scheme of Arrangement

Pursuant to section 411 of the *Corporations Act 2001* (Cth)

#### Parties

Name	<b>Texon Petroleum Ltd</b>
ABN	24 119 737 772
Short form name	<b>Texon</b>
Notice details	Level 9, 46 Edward Street, Brisbane, QLD, 4000
Name	<b>Each Scheme Shareholder</b>

## 1. Preliminary

### 1.1 Texon

Texon is a public company limited by shares incorporated in Australia. Texon is admitted to the official list of ASX and the Texon Shares are officially quoted on ASX. Texon's registered office is at Level 9, 46 Edward Street, Brisbane, QLD, 4000.

### 1.2 Texon's Securities

As at the date of the Demerger Scheme Booklet, 245,339,848 Texon Shares were on issue which are officially quoted on ASX.

### 1.3 Talon

Talon is a public company limited by shares incorporated in Australia and has applied for admission to the official list of ASX. It is, and until the Implementation Date will be, a wholly owned subsidiary of Texon.

### 1.4 Demerger Scheme Deed Poll

Talon has executed the Demerger Scheme Deed Poll in favour of Scheme Shareholders pursuant to which it has agreed to:

- (a) cause the name of each Eligible Scheme Shareholder to be entered on the Talon Share Register as the holder of the Talon Shares to which the Eligible Scheme Shareholder is entitled under this Demerger Scheme; and
- (b) cause the Sale Agent to be entered on the Talon Share Register as the holder of the Talon Shares to which Ineligible Foreign Shareholders would otherwise be entitled under the Scheme but for the operation of clause 4.3,

subject to the Scheme coming into effect on the Effective Date.

## 1.5 Demerger Deed

Texon and Talon have entered into the Demerger Deed for the purposes of effecting an internal restructure of assets and liabilities between Texon and Talon before this Demerger Scheme is implemented.

## 1.6 Summary of Demerger Scheme

If this Demerger Scheme becomes Effective, then:

- (a) Texon will reduce its share capital by the Capital Reduction Amount;
- (b) Texon will provide the Scheme Consideration to the Scheme Shareholders in accordance with the provisions of this Demerger Scheme; and
- (c) Talon will cease to be a wholly owned subsidiary of Texon from the Implementation Date.

## 2. Conditions precedent

### 2.1 Conditions precedent

This Demerger Scheme is conditional upon each of the following conditions precedent:

- (a) all of the conditions precedent in clause 6.1 of the Demerger Deed (other than the condition precedent in clause 6.1(e) relating to Court approval of the Demerger Scheme and lodgement with ASIC of an office copy of the Court's orders in respect of the Demerger Scheme as contemplated by section 411(10) of the *Corporations Act*) having been satisfied or waived in accordance with the Demerger Deed on or prior to the Second Court Date or any earlier time specified in that condition precedent;

- (b) neither the Demerger Deed nor the Demerger Scheme Deed Poll being terminated, as at 7.00am on the Second Court Date; and
- (c) this Demerger Scheme being approved for the purposes of section 411(4)(b) of the Corporations Act at the Second Court Hearing, subject to the matters noted in clause 6.10, and an office copy of the Court's orders in respect of the Demerger Scheme is lodged with ASIC as contemplated by section 411(10) of the Corporations Act.

## 2.2 Effect of conditions precedent

The satisfaction or waiver of each condition precedent in clause 2.1 is a condition precedent to the operation of clauses 3 and 4 and the binding effect of this Demerger Scheme. The conditions precedent in clause 2.1 are for the benefit of Texon and only Texon may waive any one or more of these conditions precedent.

## 2.3 Certificate

Texon will provide to the Court at the Second Court Hearing a certificate, or such other evidence as the Court requests, advising whether or not the conditions precedent to this Demerger Scheme (other than the condition precedent in clause 2.1(c) relating to Court approval of this Demerger Scheme and lodgement with ASIC of an office copy of the Court's orders in respect of the Demerger Scheme as contemplated by section 411(10) of the Corporations Act) have been satisfied or waived.

## 2.4 End date

This Demerger Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the Sunset Date.

# 3. Implementation of this Demerger Scheme

## 3.1 Lodgement of Court orders with ASIC

If the conditions in clause 2.1 of this Demerger Scheme (other than clause 2.1(c)) are satisfied or, where applicable, waived, and the Demerger Scheme is approved by order of the Court in accordance with section 411(4)(b) of the Corporations Act, Texon will lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court orders by no later than the first Business Day (or on such other Business Day as Texon and Talon agree) after the date on which the Court makes its orders.

## 3.2 Demerger Scheme Effective on Effective Date

Subject to clause 2.4, this Demerger Scheme will be Effective on and from the Effective Date.

## 3.3 Issue of Talon Shares to Texon

Immediately prior to Texon reducing its share capital under clause 3.4, Talon will issue the number of Talon Shares specified in clause 7.2(c) of the Demerger Deed to Texon and Texon, with the consent of Talon, will apply all intercompany debt owing by Talon to it in consideration for the issue of those Talon Shares. The Talon Shares must:

- (a) be duly and validly issued in accordance with all applicable laws and Talon's constitution;
- (b) be fully paid and free from any encumbrance or security interest; and
- (c) rank *pari passu* in all respects with all other Talon Shares then issued and outstanding.

## 3.4 Capital Reduction

- (a) On the Implementation Date, Texon must reduce its capital by the Capital Reduction Amount.
- (b) Texon will apply each Scheme Shareholder's Capital Reduction Entitlement in accordance with clause 3.5.

## 3.5 Consideration for Talon Shares

- (a) Each Eligible Scheme Shareholder directs Texon to apply, and Texon must apply, the Capital Reduction Entitlement of that Eligible Scheme Shareholder as consideration for the transfer by Texon to that Eligible Scheme Shareholder of Talon Shares in accordance with clause 3.6.
- (b) Each Ineligible Foreign Shareholder directs Texon to apply, and Texon must apply, the Capital Reduction Entitlement of that Ineligible Foreign Shareholder as consideration for the transfer by Texon to the Sale Agent of the number of Talon Shares that the Ineligible Foreign Shareholder would have been entitled to receive if an Eligible Scheme Shareholder under this Demerger Scheme in accordance with clause 3.6.

### 3.6 Transfer of Talon Shares

Texon must execute a transfer or transfers of all Talon Shares to the Eligible Scheme Shareholders or the Sale Agent (in respect of the Ineligible Foreign Shareholders), as the case may be, on the basis (subject to clause 4.4) of two Talon Shares for every five Scheme Shares held by a Scheme Shareholder and deliver the duly executed transfer or transfers to Talon for registration on the Implementation Date.

## 4. Scheme Consideration

### 4.1 Scheme Consideration

Subject to clauses 4.2, 4.3, 4.4, 4.5 and 4.6, Talon must:

- (a) on or before the Implementation Date, register the transfers of Talon Shares delivered to it under clause 3.6 and procure that the name and address of each Eligible Scheme Shareholder is entered into the Talon Register in respect of those Talon Shares; and
- (b) procure that on or before the date that is five Business Days after the Demerger Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the Registered Address of each Eligible Scheme Shareholder representing the number of Talon Shares transferred to the Eligible Scheme Shareholder by Texon pursuant to this Demerger Scheme.

### 4.2 Joint Holders

In the case of Scheme Shares held in joint names:

- (a) the Talon Shares to be transferred by Texon under this Demerger Scheme must be transferred to and registered in the names of joint holders;
- (b) any cheque required to be sent under this Demerger Scheme will be made payable to the joint holders and sent to the holder whose name appears first in the Texon Register as at the Record Date; and
- (c) any other document required to be sent under this Demerger Scheme will be forwarded to the holder whose name appears first in the Texon Register as at the Record Date.

### 4.3 Ineligible Foreign Shareholders

- (a) Texon will be under no obligation to transfer any Talon Shares under this Demerger Scheme to any Ineligible Foreign Shareholder and instead:

- (i) subject to clause 4.4, Texon must, on or before the Implementation Date, transfer the Talon Shares which would otherwise be required to be transferred to the Ineligible Foreign Shareholder under this Demerger Scheme to the Sale Agent; and
  - (ii) Texon must procure that as soon as reasonably practicable after the Implementation Date, the Sale Agent, in consultation with Texon, sells or procures the sale of all the Talon Shares transferred to the Sale Agent and remits to Texon the proceeds of the sale (after deduction of any applicable brokerage, stamp duty, currency conversion costs and other costs, taxes and charges) (**Proceeds**);
- (b) promptly after receiving the Proceeds in respect of the sale of all of the Talon Shares referred to in clause 4.3(a), Texon must pay to each Ineligible Foreign Shareholder, an amount equivalent to 'A' calculated in accordance with the following formula and rounded down to the nearest cent:

$$A = (B/C) \times D$$

where

**B** = the number of Talon Shares that would otherwise have been transferred to that Ineligible Foreign Shareholder had it not been an Ineligible Foreign Shareholder and which are issued to the Sale Agent;

**C** = the total number of Talon Shares which would otherwise have been transferred to all Ineligible Foreign Shareholders and which are transferred to the Sale Agent; and

**D** = the Proceeds.

- (c) None of Talon, Texon or the Sale Agent gives any assurance as to the price that will be achieved for the sale of Talon Shares described in clause 4.3(a).
- (d) Texon must make payments to Ineligible Foreign Shareholders under clause 4.3(a) by:
  - (i) where an Ineligible Foreign Shareholder has, before the Record Date, made a valid election in accordance with the requirements of the Texon Registry to receive dividend payments from Texon by electronic funds transfer to a bank account nominated by the Ineligible Foreign Shareholder, paying the relevant amount in Australian dollars by electronic means in accordance with that election; or

- (ii) otherwise, whether or not the Ineligible Foreign Shareholder has made an election referred to in clause 4.3(d)(i), dispatching or procuring the dispatch of, a cheque for the relevant amount in Australian dollars to the Ineligible Foreign Shareholder by prepaid post to the Registered Address, such cheque being drawn in the name of the Ineligible Foreign Shareholder.
- (e) If Texon receives professional advice that any withholding or other tax is required by law to be withheld from a payment to an Ineligible Foreign Shareholder, Texon is entitled to withhold the relevant amount before making payment to the Ineligible Foreign Shareholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Demerger Scheme including clause 4.3(a)(ii)). Texon must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the relevant Ineligible Foreign Shareholder, provide a receipt or other appropriate evidence of such payment to the relevant Ineligible Foreign Shareholder. Payment to the Ineligible Foreign Holder of the reduced amount after deduction of the withholding under this clause satisfies in full the Ineligible Foreign Holder's right to the Scheme Consideration.
- (f) Each Ineligible Foreign Shareholder appoints Texon as its agent to receive on its behalf any financial services guide or other notices (including any updates of these documents) that the Sale Agent is required to provide to Ineligible Foreign Shareholders under the Corporations Act.
- (g) Payment of the amount calculated in accordance with clause 4.3(a) to an Ineligible Foreign Shareholder in accordance with this clause 4.3 satisfies in full the Ineligible Foreign Shareholder's right to Scheme Consideration.
- (h) Where the transfer of Talon Shares to which a Scheme Shareholder would otherwise be entitled under this Demerger Scheme would result in a breach of law:
  - (i) Texon will transfer the maximum possible number of Talon Shares to the Scheme Shareholder without giving rise to such a breach; and

- (ii) any further Talon Shares to which that Scheme Shareholder is entitled, but the transfer of which to the Scheme Shareholder would give rise to such a breach, will instead be transferred by Texon to the Sale Agent and dealt with under the preceding provisions of this clause 4.3, as if reference to Ineligible Foreign Shareholders also included that Scheme Shareholder and references to that person's Talon Shares in that clause were limited to the Talon Shares transferred to the Sale Agent under this clause.

#### 4.4 Fractional entitlements

Where the calculation of the number of Talon Shares to be transferred to a particular Scheme Shareholder would result in an entitlement that is not a whole number, the fractional entitlement will be rounded down to the nearest whole number of Talon Shares and the fractional entitlement will be disregarded.

#### 4.5 Unclaimed monies

To the extent that a cheque properly despatched by or on behalf of Texon pursuant to clause 4.3 is returned to Texon (or its agents) as undelivered or the cheque is not presented by a Scheme Shareholder earlier than six months after the date on which the cheque was sent (**Unclaimed Consideration**):

- (a) Texon must deal with the Unclaimed Consideration in accordance with any applicable unclaimed moneys legislation; and
- (b) subject to Texon complying with its obligations under clause 4.5(a), Texon is discharged from liability to any Scheme Shareholder in respect of the Unclaimed Consideration.

#### 4.6 Orders of a court

If:

- (a) written notice is given to Texon (or the Texon Registry) of an order made by a court of competent jurisdiction that requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder by Texon in accordance with clause 4.3, then Texon shall be entitled to procure that payment is made in accordance with that order; or

- (b) written notice is given to Texon (or the Texon Registry) of an order made by a court of competent jurisdiction that prevents Texon from making a payment to any particular Scheme Shareholder in accordance with clause 4.3, or such payment is otherwise prohibited by applicable law, Texon shall be entitled to retain the amount, in Australian dollars, that would have otherwise been paid until such time as payment in accordance with clause 4.3 is permitted by that order or otherwise by law.

## 5. Dealings in Shares

### 5.1 Recognised dealings

For the purposes of determining who is a Scheme Shareholder, dealings in Texon Shares will be recognised by Texon if:

- (a) in the case of dealings of the type effected by CHESS, the transferee is registered in the Texon Register as the holder of the relevant Scheme Shares on or before the Record Date; and
- (b) in all other cases, share transfer forms in registrable form or transmission applications in respect of those dealings are received at the place where the Texon Register is kept on or before the Record Date,

and Texon will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Texon Shares received after such times, or received prior to such times but not in registrable form.

### 5.2 Texon's obligation to register

Texon must register any registrable transfers or transmission applications received in accordance with clause 5.1(b) by the Record Date.

### 5.3 Maintaining the Texon Register

For the purpose of determining entitlements to Scheme Consideration, Texon must, until the total Scheme Consideration has been paid, maintain, or cause the Registrar to maintain, the Texon Register in accordance with the provisions of this clause 5 and entitlements to the Scheme Consideration will be determined solely on the basis of the Texon Register.

## 6. General Provisions

### 6.1 Further assurances

Texon will execute documents and do all things and acts necessary or desirable in order to implement this Demerger Scheme and the transactions contemplated by it.

### 6.2 ASX listing

Texon will procure that on or before the Second Court Date, Talon applies to ASX for admission of Talon to the official list of ASX and for Talon Shares to be quoted on ASX.

### 6.3 Agreement to become a member of Talon

Under this Demerger Scheme:

- (a) each Scheme Shareholder agrees and acknowledges that the provision to it of its Scheme Consideration in accordance with the terms of this Demerger Scheme constitutes the satisfaction of all of its entitlements under this Demerger Scheme including, without limitation, its entitlement to Scheme Consideration; and
- (b) each Eligible Scheme Shareholder agrees to become a member of Talon and to have its name entered in the Talon Share Register and accepts the Talon Shares transferred to them under this Demerger Scheme on the terms and conditions of the constitution of Talon, without the need for any further act by the Eligible Scheme Shareholder.

### 6.4 Authority of Texon

Without limiting Texon's other powers under this Demerger Scheme, each of the Scheme Shareholders consents to Texon doing all things necessary for or incidental to the implementation of this Demerger Scheme and the transactions contemplated by it.

### 6.5 Authority given to Texon

Each Scheme Shareholder, without the need for any further act, irrevocably appoints Texon and all of its directors and officers (jointly and severally) as its attorney and agent for the purposes of:

- (a) enforcing the Demerger Scheme Deed Poll against Talon; and

(b) executing any document necessary or taking any other act necessary to give effect to this Demerger Scheme and the transactions contemplated by it including the communication of the Scheme Shareholder's agreement under clauses 6.3 and 6.6 and executing a proper instrument of transfer in respect of the transfer to Scheme Shareholders of Talon Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all the Talon Shares to be transferred to Scheme Shareholders, and Texon accepts such appointment. Texon as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 6.5 to all or any of its directors and officers (jointly, severally or jointly and severally).

## 6.6 Demerger Scheme binding

Each Scheme Shareholder agrees to Texon and Talon doing all thing necessary, incidental or expedient to the implementation and performance of this Demerger Scheme and acknowledges that this Demerger Scheme binds Texon and all Texon Shareholders from time to time (including those who do not attend the Scheme Meeting, those who do not vote at that meeting or vote against this Demerger Scheme) and, to the extent of any inconsistency, overrides the constitution of Texon.

## 6.7 Instructions to Texon

Except for a Scheme Shareholder's tax file number, all binding instructions or notifications between an Eligible Scheme Shareholder and Texon relating to Scheme Shares or a Scheme Shareholder's status as an Texon Shareholder (including, without limitation, any instructions relating to communications from Texon and whether dividends are to be paid by cheque or into a specified bank account) will, to the extent permitted, from the Record Date be deemed, by reason of this Demerger Scheme, to be similarly binding instructions or notifications to, and accepted by, Talon in respect of Talon Shares transferred to Scheme Shareholders until those instructions or notifications are, in each case, revoked or amended in writing addressed to Talon (at its registered address from time to time) or the Talon Share Registry.

## 6.8 Variation, cancellation or modification of rights

The Scheme Shareholders irrevocably agree to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Demerger Scheme (if any).

## 6.9 Notices

Where a notice, transfer, transmission application or other communication referred to in this Demerger Scheme is sent by post to Texon, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Texon's registered office or at the office of the Registrar.

## 6.10 Alterations and conditions

If the Court proposes to approve this Demerger Scheme subject to any conditions or alterations under section 411(6) of the Corporations Act, Texon may, by its counsel on behalf of all persons concerned, consent to only such of those conditions or alterations to this Demerger Scheme to which Talon has consented, such consent not to be unreasonably withheld or delayed.

## 6.11 Stamp duty

All stamp duty, and any related fines and penalties (if any) payable in connection with this Demerger Scheme and each transaction effected by or made under this Demerger Scheme will be payable by Talon.

## 6.12 Governing Law

- (a) The governing law of this Demerger Scheme is the law in force in the State of Queensland.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland and of the courts competent to determine appeals from those courts.

## 6.13 Time

References to time in this agreement are to Australian Eastern Standard Time.



## 7. Defined terms & interpretation

### 7.1 Defined terms

In this document:

<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 or, if the context requires, the securities market operated by it.
<b>Business Day</b>	has the meaning given in the Listing Rules.
<b>Capital Reduction</b>	means the reduction of the share capital of Texon by the Capital Reduction Amount in respect of all Scheme Share, in accordance with the terms of the Capital Reduction Resolution.
<b>Capital Reduction Amount</b>	means in respect of each Texon Share held by a Scheme Shareholder at the Record Date, the amount determined in accordance with the Capital Reduction Resolution.
<b>Capital Reduction Entitlement</b>	means the total Capital Reduction Amount to which a Scheme Shareholder is entitled as at the Record Date.
<b>Capital Reduction Resolution</b>	means the ordinary resolution to approve the Capital Reduction to be considered at the General Meeting.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Court</b>	means the Federal Court of Australia or such other Australian court of appropriate jurisdiction as agreed between the parties.
<b>Demerger Scheme</b>	means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between Texon and Texon Shareholders with the purpose of effecting the demerger of Talon from Texon, and which is set out in this document, together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act.
<b>Demerger Scheme Booklet</b>	means the information in connection with this Demerger Scheme to be despatched to all Texon Shareholders and approved by the Court, including this Demerger Scheme, the Demerger Scheme Deed Poll, the Explanatory Statement, an independent expert's report prepared by the Independent Expert, the Notice of Demerger Scheme Meeting and the Notice of General Meeting.
<b>Demerger Scheme Deed Poll</b>	means the deed poll dated 15 January 2013 executed by Talon in favour of Scheme Shareholders.
<b>Demerger Scheme Meeting</b>	means the meeting of Texon Shareholders to be ordered by the Court in relation to this Demerger Scheme and convened pursuant to section 411(1) of the Corporations Act. It includes any adjournment of that meeting.
<b>Effective</b>	means, when used in relation to this Demerger Scheme, the order of the Court made under section 411(4)(b) in relation to this Demerger Scheme coming into effect pursuant to section 411(10) of the Corporations Act.
<b>Effective Date</b>	means the date on which this Demerger Scheme becomes Effective.
<b>Eligible Scheme Shareholders</b>	means Scheme Shareholders who are not Ineligible Foreign Shareholders.
<b>Explanatory Statement</b>	means the statement pursuant to section 412 of the Corporations Act which will be, registered by ASIC in relation to this Demerger Scheme, a copy of which will be included in the Demerger Scheme Booklet.

<b>General Meeting</b>	means the meeting of Texon Shareholders to be held on 25 February 2013 to consider and vote on the Capital Reduction Resolution.
<b>Implementation Date</b>	means the third Business Day after the Record Date or such other date (after the Record Date) as Texon and Talon may agree in writing or as may be ordered by the Court or required by ASX.
<b>Independent Expert</b>	means a person to be appointed by Texon as independent expert to express an opinion on whether this Demerger Scheme is in the best interests of Texon Shareholders in accordance with the Corporations Act and ASIC policy and practice.
<b>Ineligible Foreign Shareholder</b>	means a Scheme Shareholder whose address shown in the Texon Register is a place outside Australia and its external territories, New Zealand, Hong Kong, Singapore, United Kingdom and the United States of America or such other jurisdictions agreed in writing between Texon and Talon.
<b>Listing Rules</b>	means the official listing rules of ASX.
<b>Notice of Demerger Scheme Meeting</b>	means the notice convening the Demerger Scheme Meeting, together with the proxy forms for that meeting.
<b>Notice of General Meeting</b>	means the notice convening the General Meeting, together with the proxy forms for that meeting.
<b>Proceeds</b>	has the meaning given to it in clause 4.3(a).
<b>Record Date</b>	means 6.00pm on the fifth Business Day following the Effective Date or such other date (after the Effective Date) as Texon and Talon may agree in writing or as may be required by ASX.
<b>Registrar</b>	means the operator of the Texon Registry.
<b>Registered Address</b>	means in relation to a Texon Shareholder, the address shown in the Texon Register as at the Record Date.
<b>Sale Agent</b>	means a person appointed by Texon to sell the Talon Shares that are attributable to Ineligible Foreign Shareholders under the terms of this Demerger Scheme.
<b>Scheme Consideration</b>	means the consideration to be provided to Scheme Shareholders under the terms of this Demerger Scheme.
<b>Scheme Shares</b>	means the Texon Shares on issue at the Record Date.
<b>Scheme Shareholder</b>	means each person who is registered in the Texon Register as a holder of Scheme Shares as at the Record Date.
<b>Second Court Date</b>	means the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving this Demerger Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned or appealed application is heard.
<b>Second Court Hearing</b>	means the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving this Demerger Scheme or, if the application is adjourned or subject to appeal for any reason, the hearing of the adjourned application or appealed application.
<b>Sunset Date</b>	means 30 April 2013 or such later date as Texon and Talon may agree in writing.
<b>Talon</b>	means Talon Petroleum Limited ABN 88 153 229 086.

<b>Talon Register</b>	means the share register of Talon kept pursuant to section 168(1) of the Corporations Act.
<b>Talon Share</b>	means a fully paid ordinary share in Talon.
<b>Texon Register</b>	means the share register of Texon kept pursuant to section 168(1) of the Corporations Act.
<b>Texon Registry</b>	means the share registry of Texon.
<b>Texon Shareholder</b>	means each person who is registered in the Texon Register as the holder of Texon Shares from time to time.
<b>Texon Share</b>	means a fully paid ordinary share in Texon.
<b>Unclaimed Consideration</b>	has the meaning given to that term in clause 4.5.

Federal Court of Australia  
District Registry: New South Wales  
Division: General

**TEXON PETROLEUM LIMITED ABN 24 119 737 772**  
Plaintiff

**ORDER**

**JUDGE:** Justice Farrell  
**DATE OF ORDER:** 27 February 2013  
**WHERE MADE:** Sydney

**THE COURT ORDERS THAT:**

1. Pursuant to section 411(4)(b) of the *Corporations Act 2001* (Cth) (**Act**) the Scheme of Arrangement between the Plaintiff, Texon Petroleum Limited ABN 24 119 737 772 (**TPL**) and its members, in the form of Exhibit 2 in this proceeding (**Scheme**), be approved.
2. The Plaintiff lodge with the Australian Securities and Investments Commission a copy of the approved scheme of arrangement at the time of lodging a copy of these Orders.
3. Pursuant to section 411(12) of the Act, TPL be exempted from compliance with section 411(11) of the Act in relation to the order in paragraph 1 above.
4. There be no order as to costs.
5. The Orders be entered forthwith.

**THE COURT NOTES THAT:**

TPL and Sundance Energy Australia Ltd (ABN 76 112 202 883) will rely on the Court's approval of the Scheme for the purpose of qualifying for exemption from the registration requirements of the US Securities Act of 1933, provided for by section 3(a)(10) of that Act, in connection with the implementation of, and provision of consideration under, the Scheme.

Date that entry is stamped: 27 February 2013



## Scheme of Arrangement

Pursuant to section 411 of the *Corporations Act 2001* (Cth)

### Parties

Name	<b>Texon Petroleum Ltd</b>
ABN	24 119 737 772
Short form name	<b>Target</b>
Notice details	Level 9, 46 Edward Street, Brisbane, QLD, 4000
Name	<b>Each Scheme Shareholder</b>

## 1. Preliminary

### 1.1 Target

Texon Petroleum Ltd is a public company limited by shares incorporated in Australia. Target is admitted to the official list of ASX and the Target Shares are officially quoted on ASX. Texon's registered office is at Level 9, 46 Edward Street, Brisbane, QLD, 4000.

### 1.2 Target's Securities

As at the date of the Scheme Booklet, 245,339,848 Target Shares were on issue which are officially quoted on ASX.

### 1.3 Bidder

Sundance Energy Australia Limited is a public company limited by shares incorporated in Australia. Bidder is admitted to the official list of ASX and its shares are officially quoted on ASX. Its registered office is at 32 Beulah Road, Norwood, SA, 5067.

### 1.4 Agreement to implement the Scheme

Target and Bidder have agreed, by executing the Scheme Implementation Agreement, to implement, inter alia, the terms of this Scheme and the steps contemplated to follow the implementation of this Scheme, to the extent those steps are required to be done by each of them.

### 1.5 Deed Poll

Bidder has executed the Deed Poll in favour of Scheme Shareholders.

## 1.6 Summary of Scheme

If the Scheme becomes Effective:

- (a) Bidder will provide the Scheme Consideration to Eligible Scheme Shareholders in accordance with this Scheme and the Deed Poll; and
- (b) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, will be transferred to Bidder and Target will enter the name of Bidder in the Target Register in respect of the Scheme Shares.

## 2. Conditions precedent

### 2.1 Conditions precedent

The conditions precedent to this Scheme are:

- (a) all the conditions precedent in clause 3.1 of the Scheme Implementation Agreement (other than the condition precedent in clause 3.1(e) relating to Court approval of this Scheme and lodgement with ASIC of an office copy of the Court's orders in respect of the Scheme as contemplated by section 411(10) of the Corporations Act) having been satisfied or waived in accordance with the Scheme Implementation Agreement on or prior to the Second Court Date or any earlier time specified in that condition precedent;
- (b) neither the Scheme Implementation Agreement nor the Deed Poll being terminated, as at 7.00am on the Second Court Date; and
- (c) this Scheme being approved for the purposes of section 411(4)(b) of the Corporations Act at the Second Court Hearing, subject to the matters noted in clause 7.11, and an office copy of the Court's orders in respect of the Scheme is lodged with ASIC as contemplated by section 411(10) of the Corporations Act.

## 2.2 Effect of conditions precedent

The satisfaction or waiver of each condition precedent in clause 2.1 is a condition precedent to the operation of clause 3 and the binding effect of this Scheme.

## 2.3 Certificate

Target and Bidder will provide to the Court at the Second Court Hearing certificates, or such other evidence as the Court requests, advising whether or not the conditions precedent to this Scheme (other than the condition precedent in clause 2.1(c) above and the condition precedent in clause 3.1(e) of the Scheme Implementation Agreement relating to Court approval of this Scheme and lodgement with ASIC of an office copy of the Court's orders in respect of the Scheme as contemplated by section 411(10) of the Corporations Act) have been satisfied or waived.

## 2.4 End date

This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the Sunset Date.

## 2.5 Termination

Without limiting any rights under the Scheme Implementation Agreement, if the Scheme Implementation Agreement is terminated in accordance with its terms before this Scheme becomes Effective, each of Target and Bidder are released from:

- (a) any further obligation to take steps to implement this Scheme; and
- (b) any liability with respect to this Scheme.

## 3. Implementation of the Scheme

### 3.1 Lodgement of Court orders with ASIC

If the conditions in clause 2.1 of this Scheme (other than clause 2.1(c)) are satisfied or, where applicable, waived, and the Scheme is approved by an order of the Court in accordance with section 411(4)(b) of the Corporations Act, Target will lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court orders by no later than the first Business Day (or on such other Business Day as Target and Bidder agree) after the date on which the Court makes its orders.

## 3.2 Scheme Effective on Effective Date

Subject to clause 2.4, this Scheme will be Effective on and from the Effective Date.

## 3.3 Acquisition of Scheme Shares by Bidder

- (a) On the Implementation Date, subject to provision of the Scheme Consideration in the manner contemplated by clause 4, all of the Scheme Shares, together with all rights and entitlements attaching to those shares at the Implementation Date will be transferred to the Bidder without the need for any further act by any Scheme Shareholder by:
  - (i) Target delivering on the Implementation Date to Bidder a duly completed and executed share transfer form or forms (executed by Target acting as attorney and agent for each Scheme Shareholder under clause 7.4(b)) in respect of all of the Scheme Shares in favour of Bidder as transferee (which may be a master transfer of all or part of the Scheme Shares);
  - (ii) Bidder duly executing the transfer form or forms (as the case may be) as transferee and delivering it or them to Target for registration; and
  - (iii) Target promptly procuring that the name of Bidder is entered in the Target Register as the holder of all of the Scheme Shares.
- (b) Notwithstanding any other provision of this Scheme, the sending of share certificates, holding statements or allotment advices may be satisfied within 10 Business Days after the Implementation Date.

## 4. Scheme Consideration

### 4.1 Scheme Consideration

Subject to clauses 4.2, 4.3, 4.4, 4.5 and 4.6, Bidder must:

- (a) on or before the Implementation Date, issue the New Sundance Shares to which each Eligible Scheme Shareholder is entitled under this clause 4 and procure that the name and address of each Eligible Scheme Shareholder is entered into the Bidder Register in respect of those New Sundance Shares; and

- (b) procure that on or before the date that is five Business Days after the Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder representing the number of New Sundance Shares issued to the Eligible Scheme Shareholder pursuant to this Scheme.

## 4.2 Joint Holders

In the case of Scheme Shares held in joint names:

- (a) the New Sundance Shares to be issued under this Scheme must be issued to and registered in the names of joint holders;
- (b) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to the holder whose name appears first in the Bidder Register as at the Record Date; and
- (c) any other document required to be sent under this Scheme will be forwarded to the holder whose name appears first in the Bidder Register as at the Record Date.

## 4.3 Ineligible Foreign Shareholders

- (a) Bidder will be under no obligation to issue any New Sundance Shares under this Scheme to any Ineligible Foreign Shareholder and instead:
  - (i) subject to clause 4.4, Bidder must, on or before the Implementation Date, issue the New Sundance Shares which would otherwise be required to be issued to the Ineligible Foreign Shareholder under this Scheme to the Sale Agent;
  - (ii) Bidder must procure that as soon as reasonably practicable after the Implementation Date, the Sale Agent, in consultation with Bidder sells or procures the sale of all the New Sundance Shares issued to the Sale Agent and remits to Target the proceeds of the sale (after deduction of any applicable brokerage, stamp duty, currency conversion costs and other costs, taxes and charges) (**Proceeds**);
- (b) promptly after receiving the Proceeds in respect of the sale of all of the New Sundance Shares referred to in clause 4.3(a), Target must pay to each Ineligible Foreign Shareholder, an amount equivalent to 'A' calculated in accordance with the following formula and rounded down to the nearest cent:

$$A = (B/C) \times D$$

where

**B** = the number of New Sundance Shares that would otherwise have been issued to that Ineligible Foreign Shareholder had it not been an Ineligible Foreign Shareholder and which are issued to the Sale Agent;

**C** = the total number of New Sundance Shares which would otherwise have been issued to all Ineligible Foreign Shareholders and which are issued to the Sale Agent; and

**D** = the Proceeds.

- (c) None of Bidder, Target or the Sale Agent gives any assurance as to the price that will be achieved for the sale of New Sundance Shares described in clause 4.3(a).
- (d) Target must make payments to Ineligible Foreign Shareholders under clause 4.3(a) by:
  - (i) where an Ineligible Foreign Shareholder has, before the Record Date, made a valid election in accordance with the requirements of the Target Registry to receive dividend payments from Target by electronic funds transfer to a bank account nominated by the Ineligible Foreign Shareholder, paying the relevant amount in Australian dollars by electronic means in accordance with that election; or
  - (ii) otherwise, whether or not the Ineligible Foreign Shareholder has made an election referred to in clause 4.3(d)(i), dispatching or procuring the dispatch of, a cheque for the relevant amount in Australian dollars to the Ineligible Foreign Shareholder by prepaid post to the Registered Address, such cheque being drawn in the name of the Ineligible Foreign Shareholder.
- (e) If Target receives professional advice that any withholding or other tax is required by law to be withheld from a payment to an Ineligible Foreign Shareholder, Target is entitled to withhold the relevant amount before making payment to the Ineligible Foreign Shareholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Scheme including clause 4.3(a)(ii)). Target must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the relevant Ineligible Foreign Shareholder, provide a receipt or other appropriate evidence of such payment to the relevant Ineligible Foreign Shareholder. Payment to the Ineligible Foreign Holder of the reduced amount after

deduction of the withholding under this clause satisfies in full the Ineligible Foreign Holder's right to the Scheme Consideration.

- (f) Each Ineligible Foreign Shareholder appoints Target as its agent to receive on its behalf any financial services guide or other notices (including any updates of these documents) that the Sale Agent is required to provide to Ineligible Foreign Shareholders under the Corporations Act.
- (g) Payment of the amount calculated in accordance with clause 4.3(a) to an Ineligible Foreign Shareholder in accordance with this clause 4.3 satisfies in full the Ineligible Foreign Shareholder's right to Scheme Consideration.
- (h) Where the issue of New Sundance Shares to which a Scheme Shareholder would otherwise be entitled under this Scheme would result in a breach of law:
  - (i) Bidder will issue the maximum possible number of New Sundance Shares to the Scheme Shareholder without giving rise to such a breach; and
  - (ii) any further New Sundance Shares to which that Scheme Shareholder is entitled, but the issue of which to the Scheme Shareholder would give rise to such a breach, will instead be issued to the Sale Agent and dealt with under the preceding provisions of this clause 4.3, as if reference to Ineligible Foreign Shareholders also included that Scheme Shareholder and references to that person's New Sundance Shares in that clause were limited to the New Sundance Shares issued to the Sale Agent under this clause.

#### 4.4 Fractional entitlements

Where the calculation of the number of New Sundance Shares to be issued to a particular Scheme Shareholder would result in the issue of a fraction of a New Sundance Share, the fractional entitlement will be rounded down to the nearest whole number of New Sundance Shares and the fractional entitlement will be disregarded.

#### 4.5 Unclaimed monies

To the extent that a cheque properly despatched by or on behalf of Target pursuant to clause 4.3 is returned to Target (or its agents) as undelivered or the cheque is not presented by a Scheme Shareholder earlier than six months after the date on which the cheque was sent (**Unclaimed Consideration**):

- (a) Target must deal with the Unclaimed Consideration in accordance with any applicable unclaimed moneys legislation; and
- (b) subject to Target complying with its obligations under clause 4.5(a), Target is discharged from liability to any Scheme Shareholder in respect of the Unclaimed Consideration.

#### 4.6 Orders of a court

If:

- (a) written notice is given to Target (or the Target Registry) of an order made by a court of competent jurisdiction that requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder by Target in accordance with clause 4.3, then Target shall be entitled to procure that payment is made in accordance with that order; or
- (b) written notice is given to Target (or the Target Registry) of an order made by a court of competent jurisdiction that prevents Target from making a payment by Target to any particular Scheme Shareholder in accordance with clause 4.3, or such payment is otherwise prohibited by applicable law, Target shall be entitled to retain the amount that would have otherwise been paid until such time as payment in accordance with clause 4.3 is permitted by that order or otherwise by law.

#### 4.7 Status of New Sundance Shares

Subject to the Scheme becoming Effective, Bidder must issue the New Sundance Shares required to be issued by it under this Scheme on terms such that all New Sundance Shares:

- (a) rank equally with all other Bidder Shares; and
- (b) are duly and validly issued in accordance with all applicable laws and Bidder's constitution, fully paid and free from any encumbrance.

### 5. Dealings in Shares

#### 5.1 Recognised dealings

For the purposes of determining who is a Scheme Shareholder, dealings in Target Shares will be recognised if:

- (a) in the case of dealings of the type effected by CHESS, the transferee is registered in the Target Register as the holder of the relevant Scheme Shares on or before the Record Date; and



(b) in all other cases, share transfer forms in registrable form or transmission applications in respect of those dealings are received at the place where the Target Register is kept on or before the Record Date,

and Target will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Target Shares received after such times, or received prior to such times but not in registrable form (except pursuant to clause 3.3 or any subsequent transfer by Bidder).

## 5.2 Target's obligation to register

Target must register any registrable transfers or transmission applications received in accordance with clause 5.1(b) by the Record Date.

## 5.3 Maintaining the Target Register

- (a) For the purpose of determining entitlements to Scheme Consideration, Bidder must, until the total Scheme Consideration has been paid, maintain, or cause the Registrar to maintain, the Target Register in accordance with the provisions of this clause 5 and entitlements to the Scheme Consideration will be determined solely on the basis of the Target Register.
- (b) As from the Record Date (other than for Bidder after the Implementation Date), each entry current at that time in the Target Register in relation to the Scheme Shares will cease to be of any effect other than as evidence of entitlement of Scheme Shareholders to the Scheme Consideration in accordance with this Scheme in respect of those Scheme Shares.

## 5.4 Certificates and Holding Statements

All certificates and statements of holding for Scheme Shares held by Scheme Shareholders shall, following the Record Date (other than for Bidder following the Implementation Date), cease to have any effect as documents of title in respect of such Scheme Shares.

## 5.5 Provision of Scheme Participant's details

As soon as practicable after the Record Date, and in any event at least two Business Days before the Implementation Date, Target must ensure that a complete copy of the Target Register as at 6.00 pm on the Record Date, including details of the names, registered addresses and holdings of Target Shares for each Scheme Shareholder are

available to Bidder, in such form as Bidder may reasonably require. Scheme Shareholders agree that this information may be disclosed to Bidder, Bidder's advisers or its other service providers to the extent necessary to effect the Scheme.

## 5.6 No disposals after Record Date

If the Scheme becomes Effective, each Scheme Shareholder, and any person claiming through that Scheme Shareholder, must not in any way, deal with or dispose of or purport or agree to deal with or dispose of, any Scheme Shares or any interest in them except as set out in this Scheme, after the Record Date and any attempt to do so will be void and will have no legal effect whatsoever.

## 6. Quotation of Target Shares

- (a) Target will apply to suspend trading on the ASX in Target Shares with effect from the close of trading on the Effective Date.
- (b) On a date on or after the Implementation Date to be determined by Bidder, Target will apply:
  - (i) for termination of the official quotation of Target Shares on the ASX; and
  - (ii) to have itself removed from the official list of the ASX.

## 7. General Provisions

### 7.1 Further assurances

Target will execute documents and do all things and acts necessary or desirable in order to implement this Scheme and the transactions contemplated by it.

### 7.2 Agreement to become a member of Bidder

Under the Scheme:

- (a) each Scheme Shareholder agrees and acknowledges that the provision to it of its Scheme Consideration in accordance with the terms of the Scheme constitutes the satisfaction of all of its entitlements under the Scheme including, without limitation, its entitlement to Scheme Consideration; and
- (b) each Eligible Scheme Shareholder agrees to become a member of Bidder and to have its name entered in the Bidder Register and accepts the Bidder Shares issued to them under the Scheme on the terms and conditions of the constitution of Bidder, without the need for any further act by an Eligible Scheme Shareholder.

### 7.3 Authority of Target

Without limiting Target's other powers under this Scheme, each of the Scheme Shareholders consents to Target doing all things necessary for or incidental to the implementation of this Scheme and the transactions contemplated by it.

### 7.4 Authority given to Target

Each Scheme Shareholder, without the need for any further act, irrevocably appoints Target and all of its directors and officers (jointly and severally) as its attorney and agent for the purposes of:

- (a) enforcing the Deed Poll against Bidder; and
- (b) executing any document necessary or taking any other act necessary to give effect to this Scheme and the transactions contemplated by it including executing a proper instrument of transfer of its Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all the Scheme Shares held by Scheme Shareholders,

and Target accepts such appointment. Target as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 7.4 to all or any of its directors and officers (jointly, severally or jointly and severally).

### 7.5 Scheme binding

Each Scheme Shareholder acknowledges that this Scheme binds Target and all Target Shareholders from time to time (including those who do not attend the Scheme Meeting, those who do not vote at that meeting or vote against the Scheme) and, to the extent of any inconsistency, overrides the constitution of Target.

### 7.6 Instructions to Target

Except for a Scheme Shareholder's tax file number, all binding instructions or notifications between an Eligible Scheme Shareholder and Target relating to Scheme Shares or an Eligible Scheme Shareholder's status as a Target Shareholder (including, without limitation, any instructions relating to communications from Target and whether dividends are to be paid by cheque or into a specified bank account) will, to the extent permitted, from the Record Date be deemed, by reason of the Scheme, to be similarly binding instructions or notifications to, and accepted by, Bidder in respect of Bidder Shares issued to Eligible Scheme Shareholders until those instructions or notifications are, in each case, revoked or amended in writing addressed to Bidder (at its registered address from time to time) or the Bidder Registry.

### 7.7 Variation, cancellation or modification of rights

The Scheme Shareholders irrevocably agree to the transfer of their Scheme Shares with all rights and entitlements attaching to those Scheme Shares in accordance with this Scheme and agree to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme (if any).

### 7.8 Warranties by Scheme Shareholders

Each Scheme Shareholder is deemed to have warranted to Bidder, and to have appointed and authorised Target as its attorney and agent to warrant to Bidder, that all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, at the date of transfer of them to Bidder pursuant to this Scheme, be fully paid and free from all mortgages, charges, liens, encumbrances, security interests and other interests of third parties of any kind whether legal or otherwise, including any restrictions on transfer of any kind, and that they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) to Bidder under the Scheme. Target undertakes in favour of each Scheme Shareholder that it will provide such warranty to Bidder as agent and attorney on behalf of each Scheme Shareholder.

### 7.9 Beneficial entitlement to Scheme Shares

Upon provision of the Scheme Consideration and until registration by Target of Bidder in the Target Register as the holder of the Scheme Shares:

- (a) Bidder will be beneficially entitled to the Scheme Shares transferred to it under this Scheme;
- (b) each Scheme Shareholder irrevocably appoints Bidder as its sole proxy and, where appropriate, its corporate representative to attend shareholder meetings of Target, exercise the votes attached to the Scheme Shares registered in the name of the Scheme Shareholder and sign any shareholders' resolution of Target, and acknowledges and agrees that the Scheme Shareholder may not itself attend or vote at any such meetings or sign any such resolutions, whether in person, by proxy or by corporate representative;

- (c) each Scheme Shareholder must take all other action in the capacity of a registered holder of Scheme Shares as Bidder reasonably directs; and
- (d) each Scheme Shareholder acknowledges and agrees that in exercising the powers referred to in this clause 7.9, Bidder and any officer or agent nominated by Bidder under clause 7.9 may act in the best interests of Bidder as the intended registered holder of Scheme Shares.

## 7.10 Notices

Where a notice, transfer, transmission application or other communication referred to in the Scheme is sent by post to Target, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Target's registered office or at the office of the Registrar.

## 7.11 Alterations and conditions

If the Court proposes to approve this Scheme subject to any conditions or alterations under section 411(6) of the Corporations Act, Target

may, by its counsel on behalf of all persons concerned, consent to only such of those conditions or alterations to this Scheme to which Bidder has consented, such consent not to be unreasonably withheld or delayed.

## 7.12 Stamp duty

All stamp duty, and any related fines and penalties (if any) payable in connection with this Scheme and each transaction effected by or made under this Scheme will be payable by Bidder.

## 7.13 Governing Law

- (a) The governing law of the Scheme is the law in force in the State of Queensland.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland and of the courts competent to determine appeals from those courts.

## 7.14 Time

References to time in this agreement are to Australian Eastern Standard Time.

# 8. Defined terms & interpretation

## 8.1 Defined terms

In this document:

<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 or, if the context requires, the securities market operated by it.
<b>Bidder</b>	means Sundance Energy Australia Limited ABN 76 112 202 883
<b>Bidder Register</b>	means the share register of Bidder kept pursuant to section 168(1) of the Corporations Act.
<b>Bidder Share</b>	means a fully paid ordinary share in Bidder.
<b>Business Day</b>	has the meaning given in the Listing Rules.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Court</b>	means the Federal Court of Australia or such other Australian court of appropriate jurisdiction as agreed between the parties.
<b>Deed Poll</b>	means the deed poll dated 16 January 2013 executed by Bidder in favour of Scheme Shareholders.
<b>Effective</b>	means, when used in relation to the Scheme, the order of the Court made under section 411(4)(b) in relation to the Scheme coming into effect pursuant to section 411(10) of the Corporations Act.
<b>Effective Date</b>	means the date on which the Scheme becomes Effective.
<b>Eligible Scheme Shareholders</b>	means Scheme Shareholders who are not ineligible Foreign Shareholders.

<b>Explanatory Statement</b>	means the statement pursuant to section 412 of the Corporations Act which will be, registered by ASIC in relation to the Scheme, a copy of which will be included in the Scheme Booklet.
<b>Implementation Date</b>	means the second Business Day after the Record Date or such other date (after the Record Date) as Target and Bidder may agree in writing or as may be ordered by the Court or required by ASX.
<b>Independent Expert</b>	means a person to be appointed by Target as contemplated in the Scheme Implementation Agreement as independent expert to express an opinion on whether the Scheme is in the best interests of Target Shareholders in accordance with the Corporations Act and ASIC policy and practice.
<b>Ineligible Foreign Shareholder</b>	means a Scheme Shareholder whose address shown in the Target Register is a place outside Australia and its external territories, New Zealand, United States of America, United Kingdom, Hong Kong, Singapore or such other jurisdictions agreed in writing between Target and Bidder.
<b>Listing Rules</b>	means the official listing rules of ASX.
<b>New Sundance Share</b>	means a fully paid ordinary share in Bidder to be issued to Scheme Shareholders under this Scheme.
<b>Notice of Meeting</b>	means the notice convening the Scheme Meeting, together with the proxy forms for that meeting.
<b>Proceeds</b>	has the meaning given to it in clause 4.3(a)(ii).
<b>Record Date</b>	means 6.00pm on the fifth Business Day following the Effective Date or such other date (after the Effective Date) as Target and Bidder may agree in writing or as may be required by ASX.
<b>Registrar</b>	means the operator of the Target Registry.
<b>Registered Address</b>	means in relation to a Target Shareholder, the address shown in the Target Register as at the Record Date.
<b>Sale Agent</b>	means a person appointed by Target after consultation with Bidder to sell the New Sundance Shares that are attributable to Ineligible Foreign Shareholders under the terms of this Scheme.
<b>Scheme</b>	means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between Target and Target Shareholders, which is set out in this document, as amended with the written agreement of Target and Bidder, together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Target and Bidder.
<b>Scheme Booklet</b>	means the information in connection with the Scheme to be despatched to all Target Shareholders and approved by the Court, including the Scheme, the Deed Poll, the Explanatory Statement, an independent expert's report prepared by the Independent Expert and the Notice of Meeting.
<b>Scheme Consideration</b>	means the consideration to be provided to Scheme Shareholders under the terms of the Scheme for the transfer to Bidder of their Scheme Shares in accordance with clause 4.
<b>Scheme Implementation Agreement</b>	means the agreement entered into between Target and Bidder dated 13 November 2012, under which each party undertakes specific obligations to give effect to this Scheme.

<b>Scheme Meeting</b>	means the meeting of Target Shareholders to be ordered by the Court in relation to the Scheme and convened pursuant to section 411(1) of the Corporations Act. It includes any adjournment of that meeting.
<b>Scheme Shares</b>	means the Target Shares on issue at the Record Date.
<b>Scheme Shareholder</b>	means each person who is registered in the Target Register as a holder of Scheme Shares as at the Record Date.
<b>Second Court Date</b>	means the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned or appealed application is heard.
<b>Second Court Hearing</b>	means the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the application is adjourned or subject to appeal for any reason, the hearing of the adjourned application or appealed application.
<b>Sunset Date</b>	means 30 April 2013 or such later date as Target and Bidder may agree in writing.
<b>Target Register</b>	means the share register of Target kept pursuant to section 168(1) of the Corporations Act.
<b>Target Registry</b>	means the share registry of the Target.
<b>Target Shareholder</b>	means each person who is registered in the Target Register as the holder of Target Shares from time to time.
<b>Target Share</b>	means a fully paid ordinary share in Target.
<b>Unclaimed Consideration</b>	has the meaning given to that term in clause 4.5.