



## **Joint ASX / Media Announcement**

**23 January 2008**

# **Nexus and Anzon agree to merge to create a leading, independent oil and gas producer**

Nexus Energy Limited ("Nexus") (ASX: NXS) and Anzon Australia Limited ("AZA") (ASX: AZA) today announced an agreed merger (the "Merger") which will create a leader in the Australian oil and gas sector with significant growth potential.

The Nexus offer values AZA at \$1.75 per share and comprises \$0.71 in cash and \$1.04 in scrip per AZA share. The scrip value is based on an assumed trading range for Nexus shares of \$1.50 to \$2.05<sup>1</sup>. This creates certainty for AZA and Nexus shareholders but retains the prospect of value upside in the event of further drilling and appraisal success by Nexus. In addition, AZA will pay shareholders on the register as at the transaction record date a \$0.07 special dividend<sup>2</sup>.

The merged entity will have net proved plus probable ("2P") reserves and best estimate contingent resources of 169 million barrels of oil equivalent ("mboe")<sup>3</sup> and an enterprise valuation of approximately \$1.5 billion<sup>4</sup>. The merged entity will rank fifth in terms of enterprise valuation and third<sup>5</sup> in terms of 2P reserves<sup>6</sup> amongst oil and gas companies on the ASX.

The Merger will combine AZA's immediate production capacity from its interests in the Basker Manta asset with Nexus' emerging production profile and substantial reserves base from its interests in the Longtom and Crux fields.

The combined entity will have material positions in a pipeline of significant offshore projects including Basker Manta, Longtom and Crux, significant forecast production profile, asset diversity including domestic gas, oil, condensate as well as potential LNG exposure from Echuca Shoals and the Crux nearfield exploration, increased financial capability and expanded operatorship capability.

---

<sup>1</sup> Nexus' 20 trading day VWAP as at 22 January 2008 is \$1.72

<sup>2</sup> Special dividend to be paid to AZA's shareholders on the AZA register on the fifth trading day after the Merger becomes effective, subject to both the Merger and the AEL Merger becoming effective

<sup>3</sup> As at 31 December 2007. AZA's gas resources in the BMG fields have been categorised as 2P reserves for the purposes of this calculation

<sup>4</sup> Assumes Nexus share price of \$1.72 post merger, in line with Nexus 20 trading day VWAP to 22 January 2008

<sup>5</sup> Excludes Origin Energy

<sup>6</sup> Based on assumed 2P reserves and best estimate contingent resources for AZA of 40 mboe as at 31 December 2007

In the short term, net oil production is forecast to rise from 4,600 barrels of oil per day (“bopd”) from the Basker Manta oil project in the 2008 calendar year to 16,900 barrels of oil equivalent per day (“boepd”) with the commencement of production from the Longtom gas project in 2009. In the medium term, the forecast commencement of production from the Crux liquids project and the Basker Manta Gummy (“BMG”) gas project is expected to increase net production rates to in excess of 57,000 boepd by 2011.

The combined entity will be managed by Ian Tchacos, Managing Director of Nexus. Under his stewardship Nexus has grown in capitalisation from \$2 million to \$730<sup>7</sup> million. Nexus has offered a Board seat in the combined entity to a nominee of AZA or Anzon Energy Limited (“AEL”) (LN: AEL).

Michael Fowler, Chairman of Nexus, commented on the Merger, stating:

*“This Merger will combine two companies with truly complementary asset positions focussing on the mature Gippsland basin and the rapidly emerging Browse basin. Significant operational synergies are available in the Gippsland basin from Longtom and Basker Manta Gummy and nearfield exploration assets. The combination of Anzon’s immediate production and Nexus’ pipeline of production and development assets will create a unique earnings profile that is characterised by substantial and long term growth. The increasing size, operating capability and profile will result in Nexus playing an increasingly important role in Australia’s oil and gas sector.”*

Key advantages of the Nexus offer include:

- **Operational synergies** – Significant operational synergies are expected due to the complementary asset positions of Nexus’ and AZA’s assets in the Gippsland basin, and the prospect of savings from shared infrastructure.
- **Production scale and market presence** – The new entity combines strong existing oil production and cashflow with tremendous growth potential in the domestic gas market and international oil / condensate and LNG markets. It is expected to have an enterprise valuation of approximately \$1.5 billion<sup>8</sup> and will be uniquely positioned as a leader in the Australian oil and gas sector with significant growth potential.
- **Higher value and cash to AZA shareholders** – Nexus’ offer price represents a significant premium to the value currently implied by the terms of the ARC Energy Limited (“ARQ”) (ASX: ARQ) proposal (\$1.29 as at 22 January 2008) and to the current trading price of AZA shares (last closing share price of \$1.36 as at 22 January 2008). In addition, AZA shareholders will have the opportunity to receive a significant portion of cash under the Nexus offer.
- **Consideration certainty** – The Merger terms provide for the number of Nexus shares to be issued to AZA shareholders to be adjusted so as to provide \$1.75 per AZA share, subject to a Nexus trading range of \$1.50 to \$2.05.<sup>9</sup> This provides AZA shareholders with significant certainty in

---

<sup>7</sup> As at 22 January 2008

<sup>8</sup> Assumes Nexus share price of \$1.72 post merger, in line with Nexus 20 trading day VWAP to 22 January 2008

<sup>9</sup> Nexus’ 20 trading day VWAP to 22 January 2008 is \$1.72

relation to the value of the offer consideration as a result and also provides upside to shareholders should the Nexus share price rise above \$2.05.

- **Transaction certainty** – The Board of AZA's parent company, AEL, has confirmed its intention to vote its 53.1% holding in AZA in favour of the Merger in the absence of a further superior proposal, subject to the approval of its shareholders and the Independent Expert concluding that the Merger is in the best interests of AZA shareholders. Each member of the AZA Board and the AEL Board intend to vote their personal shareholdings in AZA in favour of the Merger, in the absence of a further superior proposal. Nexus will not vote its 19.2% stake in relation to the Merger.

AZA and Nexus have agreed mutual break fees of \$4 million in the event the Merger does not proceed under certain circumstances. These circumstances include the withdrawal of support by AZA in the event of a superior proposal.

The AZA Board recommends the Merger in the absence of a superior proposal and subject to the Independent Expert concluding that the Merger is in the best interests of AZA shareholders. The AZA Board no longer recommends the merger under the Merger Implementation Deed between AZA and ARQ dated 24 October 2007. AZA is required to pay a break fee of \$4 million to ARQ if this Merger Implementation Deed is terminated.

### **The Merged Company**

The Merger will create Australia's leading independent oil and gas producer with net 2P reserves plus best estimate contingent resources of 169 mmbœ<sup>10</sup> and forecast annual production of 20.9 mmbœ by 2011.

The merged entity will have an unmatched portfolio of high quality Australian assets with low risk, long run production, very significant near term development projects and high upside exploration:

- **Current oil production** – 4,600 bopd from Basker Manta field in the Gippsland basin;
- **Near term development** – Comprising the Longtom gas and condensate project and Basker Manta Gummy expanded oil, gas, condensate and LPG project, both in the Gippsland basin, and the exciting Crux liquids project;
- **Appraisal and medium term development** – The Echuca Shoals prospect off North West Australia, as well as Chimaera and Gummy in the Gippsland basin; and
- **Exploration** – Including Crux near field potential, BMG and Longtom near field exploration, Gippsland basin, Canterbury basin in New Zealand and Vlaming sub basin oil and gas prospects.

---

<sup>10</sup> As at 31 December 2007. AZA's gas resources in the BMG fields have been categorised as 2P reserves for the purposes of this calculation

Together, the AZA and Nexus assets provide a unique combination of current production, near term development and substantial exploration potential. The result is a robust, diversified, long term and high growth production profile that will allow the merged entity's development projects to be developed in the most capital efficient and commercially beneficial manner.

Nexus' existing management team will continue in place following completion of the Merger and will be complemented by AZA's technical staff and contractors. The Nexus Board of Directors also intend to invite one AZA / AEL nominee to join the Nexus Board in a non-executive capacity.

With an expected enterprise valuation of approximately \$1.5 billion<sup>11</sup>, the merged entity will be positioned as Australia's leading emerging listed oil and gas producer in terms of size, reserves and production profile.

### **Benefits of the Merger for Nexus Shareholders**

The Merger is on competitive terms, with the total acquisition price representing a 2P reserves multiple of US\$14.39/boe<sup>12</sup>. This compares favourably with recent comparable transactions in the oil and gas sector, which have averaged US\$15.75/boe<sup>13</sup> on a 2P basis.

The high cash component of the AZA and AEL offers results in Nexus shareholders retaining a significant component of the merged entity. Nexus shareholders will own approximately 72% of the merged entity, assuming a Nexus share price of \$1.72<sup>14</sup>, all shareholders electing the "Cash and shares" alternative and exercise of the AEL convertible notes.

The Merger provides Nexus with a material cash flow and profit stream from 4,600 bopd of Basker Manta oil production with the potential to double this when the BMG project expansion takes place.

The Merger provides Nexus with a material increase in scale:

- net 2P reserves plus best estimate contingent resources will increase by 32% to 169 mmboe; and
- enterprise valuation will increase by approximately 55% to \$1.5 billion<sup>15</sup>

The Merger will significantly strengthen Nexus' profile and position in the ASX/S&P200 leading to improved stock liquidity, increased analyst coverage and enhanced investor interest with the potential for a substantial share price re-rating.

### **Merger Terms**

Pursuant to the Merger terms, Nexus will acquire all of the listed shares in AZA based on a cash and scrip offer of \$1.75<sup>16</sup> per AZA share.

---

<sup>11</sup> Assumes Nexus share price of \$1.72 post merger, in line with Nexus 20 trading day VWAP to 22 January 2008

<sup>12</sup> Based on assumed 2P reserves and best estimate contingent resources for AZA of 40 mmboe as at 31 December 2007 and a AUD/USD exchange rate of 0.8613

<sup>13</sup> Average based on all acquisitions in Australasia, Europe and North America with a transaction value greater than US\$10 million from 1 January 2006 to 31 December 2007 with reported transaction value and 2P reserves figures (Source: JS Herold Transaction Database)

<sup>14</sup> Nexus' 20 trading day VWAP to 22 January 2008 is A\$1.72

<sup>15</sup> Assumes Nexus share price of \$1.72 post merger, in line with Nexus 20 trading day VWAP to 22 January 2008

Specifically, subject to the consideration election options outlined below, the offer for AZA will comprise:

- \$0.71 cash per AZA share; and
- Nexus shares to the value of \$1.04 per AZA share.

In addition, AZA shareholders will receive a special dividend of \$0.07 per AZA share.

The number of Nexus shares issued will be determined by reference to the volume weighted average trading price (“VWAP”) of Nexus shares over the 20 trading days up to the scheme vote. This will be subject to a deemed floor of \$1.50 and cap of \$2.05, providing certainty of consideration while Nexus trades between \$1.50 and \$2.05 (Nexus has a VWAP of \$1.72 over the 20 trading days to 22 January 2008).

The Merger will be implemented by a scheme of arrangement, which will require approval by AZA shareholders at a shareholder’s meeting (“Scheme Meeting”) and approval by the Court.

AZA shareholders have the choice of receiving their consideration (excluding the special dividend, which will be paid in cash) in one of three ways to suit their individual circumstances:

- **All shares** – An AZA shareholder who chooses this alternative will receive all Nexus shares in exchange for their AZA shares, calculated with reference to the VWAP of Nexus’ shares over the 20 trading days up to the Scheme Meeting.
- **Cash and shares** – An AZA shareholder who chooses this alternative will receive \$0.71 in cash plus Nexus shares equal to \$1.04 calculated on the basis of the Nexus share price per AZA share. Assuming a Nexus share price of \$1.72<sup>17</sup>, an AZA shareholder who chooses this alternative will receive \$0.71 plus approximately 0.60 Nexus shares per AZA share held.
- **Maximum cash** – This alternative is designed to allow AZA shareholders to maximise the cash they receive. Nexus has allocated a maximum cash pool of \$75 million of funds to pay the cash component of the Merger consideration. This pool will be used to pay AZA shareholders who accept the “Cash and shares” alternative with the remainder of the pool being distributed pro-rata to AZA shareholders who choose the “Maximum cash” alternative. AEL has confirmed its intention to accept the “All shares” alternative which means that the “Maximum cash” alternative will be fully available for the 27% AZA minority shareholders.

Full details of these election alternatives will be set out in the detailed Scheme Booklet.

---

<sup>16</sup> Based on a trading range of \$1.50 to \$2.05. Nexus’ 20 trading day VWAP to 22 January 2008 is \$1.72

<sup>17</sup> Nexus’ 20 trading day VWAP to 22 January 2008 is \$1.72

## **Benefits of the Merger for AZA Shareholders**

The Nexus offer provides a superior value outcome for AZA shareholders to the ARQ proposal with greater certainty and substantially greater cash. In addition, Nexus' offer represents a:

- 36% premium to the current implied value of the ARQ offer;
- 29% premium to the last traded<sup>18</sup> price of AZA shares; and
- 51% premium to the last AZA trade on the date prior to the announcement that AZA had received a number of approaches which could lead to an offer for the company.

The scrip component of the offer also provides AZA shareholders with:

- exposure to:
  - Nexus' diversified portfolio of high quality, high growth, near and medium term development assets;
  - Significant operational synergies realised between Nexus' and AZA's assets; and
  - Upside from the continued development of the BMG oil and gas project;
- an opportunity to participate in and benefit from any potential market or financial re-rating of the merged company;
- potential removal of the discount that the market previously attributed to AZA on the basis of its single asset exposure and inefficient corporate structure; and
- the ability for eligible Australian shareholders to elect to receive capital gains tax relief in relation to the share component of the Merger consideration.

## **Major Shareholder**

AZA's major shareholder AEL, which owns 53.1% of AZA, has indicated that it intends to seek shareholder approval to vote its 53.1% holding in AZA in favour of the Merger in the absence of a superior proposal and subject to the Independent Expert concluding that the Merger is in the best interests of AZA shareholders.

Nexus has also made an offer to AEL to acquire 100% of the issued capital in AEL by way of a scheme of arrangement ("AEL Merger"). The Board of AEL has unanimously resolved to recommend the AEL Merger to AEL shareholders, in the absence of a superior proposal and subject to the Independent Expert concluding that the AEL Merger is in the best interests of AEL shareholders, and intends to make an announcement to this effect to the AIM today, London time.

Under the AEL Merger, shareholders in AEL will receive cash and Nexus shares in exchange for their AEL shares. AEL's only material asset is its investment in AZA. The offer price for AEL is therefore set by reference to the offer price of AZA,

---

<sup>18</sup> As at 22 January 2008

adjusted for AEL's net cash position.<sup>19</sup> If the Merger is not successful, the AEL Scheme provides Nexus with the opportunity to acquire a majority interest in AZA, giving Nexus day to day control of AZA. In that event, following completion of the AEL Scheme, Nexus may launch a follow-on takeover bid to acquire the remaining shares in AZA. The Merger and AEL Merger are not interconditional.

### **Merger Timing and Conditions**

It is expected that the transaction will be completed in early May 2008, based on the indicative timetable below:

<b>Key Milestone</b>	<b>Date</b>
Merger announcement	23 January 2008
First Court Hearing to approve scheme documentation and convene Scheme Meeting	Early March 2008
Scheme documentation (including Independent Expert's Report) sent to AZA shareholders	Early March 2008
Scheme Meeting	Late April 2008
Second Court Hearing	Late April 2008
Expected Date of Completion	Early May 2008

The Merger will require the approval of AZA shareholders and the Court together with satisfaction of other conditions customary for a transaction of this nature. These conditions are included in the Merger Implementation Deed ("AZA MID"), a summary of which is attached as Annexure A to this announcement.

### **Funding**

Nexus has received credit approval from Bank of Scotland (a member of the HBOS Group) for new debt facilities which together with current cash reserves will be sufficient to fund the cash component of Nexus' offer<sup>20</sup>.

### **Advisers**

Nexus is being advised by Deutsche Bank and Baker & McKenzie  
AZA is being advised by RFC Corporate Finance and Deacons  
AEL is being advised by Macquarie Capital Advisers and Corrs Chambers Westgarth

---

<sup>19</sup> Assumed net cash balance of US\$7.5 million at completion of the transaction and a USD/AUD exchange rate of 1.14

<sup>20</sup> Subject to documentation and satisfaction of conditions precedent

**For further information please contact:**

**Mr Ian Tchacos**  
Managing Director  
Nexus Energy Limited

Telephone: +61 3 9660 2500

Website: [www.nexusenergy.com.au](http://www.nexusenergy.com.au)

134-140 Little Lonsdale Street  
Melbourne  
Victoria 3000

**Nexus Financial Adviser**  
Alex Cartel  
Managing Director  
Head of Australian Natural Resources  
Deutsche Bank

Telephone: +61 407 434 220

**Mr Andrew Young**  
Managing Director  
Anzon Australia Limited

Telephone: +61 2 9024 3555

Website: [www.anzon.com.au](http://www.anzon.com.au)

Level 13, 90 Arthur Street  
North Sydney  
New South Wales 2060

**AZA Financial Adviser**  
Will Souter  
Associate Director  
RFC Corporate Finance

Telephone: +61 2 9250 0050

Annexure A: Summary of the AZA MID

## ANNEXURE A

# Key terms of Anzon Australia Limited Merger Implementation Deed

## Introduction

Anzon Australia Limited (**Anzon**) and Nexus Energy Limited (**Nexus**) entered into a Merger Implementation Deed (**MID**) on 23 January 2008. The MID sets out the terms and the parties' respective obligations in connection with the implementation of the Scheme. A copy of the MID will be contained in the Scheme Booklet to be provided by Anzon to Anzon Ordinary Shareholders prior to the Scheme Meeting. An outline of the key terms of the MID is set out below.

---

## 1. Conditions precedent

The Scheme will not become Effective and the obligations of the parties under the MID are not binding unless each of the following conditions precedent is satisfied or waived in the manner set out in the MID:

### 1.1 Regulatory Approvals

- (1) ASIC and ASX provides or issues the consents and approvals and do any other acts necessary or desirable to implement the transactions contemplated by the MID;
- (2) ACCC takes no action to oppose the Scheme,  
(together **Regulatory Approvals**), before the Conditions Date;

### 1.2 Other restrictions

No Court or Government Agency has issued or taken steps to issue an order, temporary restraining order, preliminary or permanent injunction, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the consummation of the Merger or has refused to do anything necessary to permit the Merger and no such order, decree, ruling, other action or refusal is in effect at 5pm on the day prior to the Scheme Meeting or at 8am on the Second Court Date.

### 1.3 Anzon Ordinary Shareholder Approval

Anzon Ordinary Shareholders approve the Scheme at the Scheme Meeting (or at any adjournment or postponement of it at which the Scheme is to be voted on) by the requisite majorities under the Corporations Act.

### 1.4 Court Approval

The Court approves the Scheme under section 411(4)(b) of the Corporations Act unconditionally or subject to conditions that are not onerous.

### 1.5 Independent Expert Report

The Independent Expert gives a report to Anzon that in its opinion the Scheme is in the best interests of Anzon Ordinary Shareholders and the Independent Expert does not change its conclusions or withdraw its report prior to the Conditions Date.

### 1.6 Anzon Material Adverse Change

Between the date of the MID and the Conditions Date, no Anzon Material Adverse Change occurs or becomes reasonably likely to occur.

**1.7 Nexus Material Adverse Change**

Between the date of the MID and the Conditions Date, no Nexus Material Adverse Change occurs or becomes reasonably likely to occur.

**1.8 Anzon Prescribed Occurrence**

Between the date of the MID and the Conditions Date, no Anzon Prescribed Occurrence occurs.

**1.9 Nexus Prescribed Occurrence**

Between the date of the MID and the Conditions Date, no Nexus Prescribed Occurrence occurs.

**1.10 Anzon Representations**

No representation given by Anzon under Schedule 1 of the MID has become materially incorrect before the Conditions Date which would individually or in aggregate amount to an Anzon Material Adverse Change.

**1.11 Nexus Representations**

No representation given by Nexus under Schedule 2 of the MID has become materially incorrect before the Conditions Date which would individually or in aggregate amount to a Nexus Material Adverse Change.

**1.12 AEL Authority**

AEL Shareholders have duly authorised AEL to:

- (1) vote in favour of the Scheme; and
- (2) elect to receive the All Shares Consideration Option,

in accordance with the UK Listing Authority's Listing Rules, the rules of the Alternative Investment Market and any other Applicable Laws.

**1.13 Change of control**

Anzon procuring a waiver of any change of control rights or consent to assignment rights which would arise on implementation of the Scheme where such change of control right, if exercised, or consent to assignment right, if refused, (either alone or in combination with any other change of control rights or consent to assignment rights) would give rise to an Anzon Material Adverse Change (but regardless of whether or not those changes of control rights were disclosed in the Data Room).

**1.14 Anzon Options**

Anzon having used its best endeavours to procure that each holder of Anzon Options has entered into an Option Purchase Agreement or exercised all of their Anzon Options prior to the date of the Scheme Meeting.

**1.15 Anzon Debt**

Anzon providing to Nexus by the Conditions Date:

- (1) a certificate signed by a director of Anzon and made in accordance with a resolution of the Anzon Board stating that Anzon has, as at that date, and will have as at the Effective Date and the Implementation Date, sufficient funds immediately available to

repay all outstanding indebtedness (other than trade creditors and excluding any amount paid or payable to ARC Energy Limited pursuant to the Merger Implementation Deed between Anzon and ARC Energy Limited dated 24 October 2007 as amended and restated on 12 December 2007) of the Anzon Group; and

- (2) unsigned ASIC form(s) 312 and such other unsigned documents as may be reasonably requested by Nexus's financiers (consistent with the financier's customary practice) which are to be executed by the financiers (after the Effective Date) with respect to the release of any security in connection with the repayment of indebtedness contemplated in paragraph (a) and are necessary to discharge and release such security in full.

#### 1.16 All Shares Consideration Option

Scheme Shareholders together holding more than 50% of the Anzon Ordinary Shares making the Election to receive the All Shares Consideration Option as the Scheme Consideration they wish to receive in respect of all their Scheme Shares.

---

## 2. Anzon Share Offers

2.1 Subject to the MID not being terminated in accordance with its terms, if:

- (1) the AEL Scheme is approved by AEL Shareholders at the AEL Scheme Meeting (or any adjournment or postponement of it at which the AEL Scheme is voted on) by the requisite majorities under the Corporations Act; and
- (2) the Scheme is not approved by Anzon Ordinary Shareholders at the Scheme Meeting (or any adjournment or postponement of it at which the Scheme is voted on) by the requisite majorities under the Corporations Act,

Nexus must if required by ASIC:

- (3) despatch the Anzon Share Offers to Anzon Ordinary Shareholders in sufficient time for the offers to be open and capable of acceptance within 21 Business Days after the Scheme Meeting;
- (4) keep the Anzon Share Offers open and capable of acceptance for the earlier of:
  - (a) Nexus becoming entitled to proceed to compulsory acquisition (either under Part 6A.1 or Part 6A.2 of the Corporations Act); and
  - (b) one month after Nexus despatches the Anzon Share Offer to Anzon Ordinary Shareholders.

2.2 If Nexus's obligation to make the Anzon Share Offers arises, Nexus must, without limiting its obligations, within the time periods required:

- (a) prepare a bidder's statement in accordance with Applicable Laws; and
- (b) lodge a copy of the bidder's statement with ASIC and send a copy of the bidder's statement to the ASX.

---

## 3. Appointment of Anzon directors

As soon as practicable:

- (1) after the Effective Date, Anzon must appoint 2 nominees of Nexus to the Anzon Board; and

- (2) after the Scheme Consideration has been paid, Anzon must use reasonable endeavours to ensure that all Anzon directors other than Nexus nominees resign and provide written notice to the effect all such Anzon directors have no claim outstanding for loss of office, remuneration or otherwise against Anzon.

---

#### **4. Exclusivity**

During the Exclusivity Period, Anzon and Nexus must not, and must use their best endeavours to ensure that their respective Representatives do not, except with the prior consent of the other party:

- (1) solicit, initiate or invite any enquiries, discussions or proposals in relation to, or which may reasonably be expected to lead to, a Third Party Proposal for that party;
- (2) participate in any discussions or negotiations in relation to, or which may reasonably be expected to lead to, a Third Party Proposal for that party; or
- (3) communicate to any person an intention to do any of the things referred to above.

---

#### **5. Notification of approaches**

5.1 During the Exclusivity Period, Anzon or Nexus must notify the other party of:

- (1) any approach, inquiry or proposal made to, and any attempt or any intention on the part of any person to initiate or continue any negotiations or discussions with, Anzon or Nexus or any of their respective Representatives with respect to, or that could reasonably be expected to lead to, any Third Party Proposal, whether unsolicited or otherwise;
- (2) any request for information relating to Anzon or Nexus or any of their respective Material Subsidiaries or any of their businesses or operations or any request for access to the books or records of Anzon or Nexus or any of their respective Material Subsidiaries, which Anzon or Nexus (as applicable) has reasonable grounds to suspect may relate to a current or future Third Party Proposal;
- (3) any breach of the obligation to notify of an approach; and
- (4) any provision by Anzon or Nexus or any of their respective Representatives of any information relating to Anzon or Nexus (as applicable) or any of their respective Material Subsidiaries or any of their businesses or operations to any person in connection with or for the purposes of a current or future Third Party Proposal by providing in writing to the other party details of the expression of interest, offer or proposal or proposed Third Party Proposal made by the person making the approach and details of any material discussions between such person and Anzon or Nexus (as applicable) (or their respective Representatives).

5.2 Such notice must be accompanied by all relevant details of the relevant event, including the identity of the person or persons taking any action referred to above, and the terms and conditions of any Third Party Proposal or any proposed Third Party Proposal (to the extent known).

---

#### **6. Fiduciary carve-out**

Paragraphs (2) and (3) of section 4 of this summary and paragraphs 5.1 and 5.2 of section 5 of this summary do not require Anzon or Nexus or any of their respective directors to do or refrain from doing any thing with respect to a bona fide Third Party Proposal (which was not solicited by the party in breach of the exclusivity provisions), provided that the Anzon Board or

Nexus Board (as applicable) has determined in good faith and acting reasonably after consultation with its financial advisers and receiving written legal advice by external legal advisers, that failing to respond to such Third Party Proposal would likely constitute a breach of the directors' fiduciary or statutory obligations.

---

## **7. Normal provision of information**

Nothing in the exclusivity provisions prevents a party or its Representatives from:

- (1) providing information to its Representatives;
- (2) providing information required to be provided by law, a Court or any Regulatory Authority including ASX; or
- (3) making presentations to brokers, portfolio investors and analysts in the ordinary and usual course of business.

---

## **8. Payment of Costs**

- 8.1 Anzon undertakes to Nexus that if before the Effective Date, the MID is terminated by Nexus because of a breach of a representation or warranty which would individually or in aggregate amount to an Anzon Material Adverse Change, or a failure by Anzon to satisfy certain conditions precedent, Anzon must pay to Nexus a fee of \$4 million promptly on demand.
- 8.2 Nexus undertakes to Anzon that if before the Effective Date, the MID is terminated by Anzon because of a breach of a representation or warranty which would individually or in aggregate amount to a Nexus Material Adverse Change, or a failure by Nexus to satisfy certain conditions precedent Nexus must pay to Anzon a fee of \$4 million promptly on demand.
- 8.3 If the MID is terminated by either party because:
  - (1) it is not approved by shareholders or the Court; or
  - (2) any Court or Regulatory Authority has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Merger which has become final and non-appealable; or
  - (3) the Anzon Board withdraws its approval or recommendation of the Merger as a result of the Independent Expert opining that the Merger is not in the best interests of Anzon Ordinary Shareholders; or
  - (4) Anzon has received a Superior Proposal pursuant to which the voting power (as defined in the Corporations Act) of the proponent of the Superior Proposal becomes or increases to more than 50% of the Anzon Ordinary Shares;

no damages, fees, expenses or reimbursement of any kind are payable by either Anzon or Nexus under or in connection with the MID.

---

## **9. No further liability**

The payment of the fees set out above represent the sole and absolute liability of each party under or in connection with the MID (whether upon termination of the MID or otherwise) and, other than those fees, no further damages, fees, expenses or reimbursements of any kind are payable by either party under or in connection with the MID.

---

## 10. Termination

### 10.1 Right to terminate

The MID may be terminated at any time prior to 9.30am on the Second Court Date:

- (1) by either Nexus or Anzon if any Court or Regulatory Authority has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Merger, or has refused to do anything necessary to permit the Merger, and the order, decree, ruling, other action or refusal has become final and non-appealable;
- (2) by either Nexus or Anzon if the other is in material breach of the MID and if:
  - (a) where there is a breach of a representation or warranty by a party which would individually or in aggregate amount to either an Anzon Material Adverse Change or Nexus Material Adverse Change as the case may be;
  - (b) where the breach is capable of rectification prior to the Conditions Date, the party not in breach has given written notice to the other setting out the relevant circumstances and stating an intention to terminate, and the breach has not been rectified within 5 Business Days or within the period ending on the Conditions Date (whichever is the shorter period);
- (3) by either Nexus or Anzon if the resolution submitted to the Scheme Meeting in relation to the Scheme is not passed by the majorities required under the Corporations Act;
- (4) upon the failure of a condition set by the party (or parties) entitled to rely on that condition after if the parties are unable to reach agreement within 5 Business Days after the relevant date or by the End Date;
- (5) by Nexus if the Anzon Board withdraws its approval or recommendation of the Merger;
- (6) by Anzon if the Anzon Board has received a Superior Proposal and the Anzon Board withdraws its approval or recommendation of the Merger;
- (7) by either Anzon or Nexus if:
  - (a) the Anzon Board has received a Superior Proposal; and
  - (b) pursuant to that Superior Proposal the voting power (as defined in the Corporations Act) of the proponent of the Superior Proposal becomes or increases to more than 50% of the Anzon Ordinary Shares;
- (8) by Anzon or Nexus after the End Date; or
- (9) by Anzon or Nexus if the Court refuses to make orders directing Anzon to convene the Scheme Meeting or approving the Scheme, and after Anzon and Nexus have appealed the Court's decision to the fullest extent possible.

<b>Term</b>	<b>Meaning</b>
<b>ACCC</b>	the Australian Competition and Consumer Commission.
<b>AEL</b>	Anzon Energy Limited ACN 097 972 364.
<b>AEL Scheme</b>	the scheme of arrangement under Part 5.1 of the Corporations Act between AEL and AEL Shareholders in respect of all the AEL Shares.
<b>AEL Scheme Meeting</b>	the meeting ordered by the Court pursuant to the AEL Scheme to be convened under section 411(1) of the Corporations Act and any other meetings of AEL Shareholders necessary to implement the AEL Scheme.
<b>AEL Scheme Record Date</b>	5.00pm (Sydney time) on the fifth Trading Day after the date on which the AEL Scheme, if approved, becomes Effective.
<b>AEL Share</b>	an ordinary share in the capital of AEL.
<b>AEL Shareholders</b>	each person, who is registered in the register of members of AEL as the holder of an AEL Share as at the AEL Scheme Record Date (other than the Nexus or any of its Related Bodies Corporate).
<b>All Shares Consideration Option</b>	(per Anzon Ordinary Share) such number of Nexus Shares according to the following formula:  $\frac{\$1.75}{\text{Nexus Share Price.}}$
<b>Anzon</b>	Anzon Australia Limited ABN 46 107 406 771.
<b>Anzon Board</b>	the board of directors of Anzon.
<b>Anzon Dividend</b>	the special cash dividend of 7 cents per Anzon Ordinary Share for each Anzon Ordinary Share on issue at the Transaction Record Date to be declared by Anzon if both the Scheme and the AEL Scheme become Effective.
<b>Anzon Material Adverse Change</b>	<p>matters, events or circumstances, including where it becomes known to Nexus that information disclosed by Anzon or any of its Material Subsidiaries is, or is likely to be, incomplete, incorrect, untrue or misleading, other than:</p> <ul style="list-style-type: none"> <li>(i) those required to be done pursuant to the MID;</li> <li>(ii) those which Anzon and Nexus agree in writing are not an Anzon Material Adverse Change; or</li> <li>(iii) those fully and fairly disclosed in the Data Room or any public filings made by Anzon prior to the date of the MID,</li> </ul> <p>having occurred, been announced or becoming known to Nexus which have or could reasonably be expected to have a material adverse effect on the business, financial or trading position, assets or liabilities, profitability or prospects of the Anzon Group (taken as a whole) including any matter(s), event(s), or circumstance(s) that is (or are) either individually or when aggregated together reasonably expected to result in a diminution of the net assets of the Anzon Group by more than \$25 million.</p>

Term	Meaning
<b>Anzon Options</b>	rights granted to participants to subscribe for or acquire Anzon Ordinary Shares.
<b>Anzon Ordinary Shareholders</b>	each person who is registered in the register of members of Anzon as the holder of Anzon Ordinary Shares.
<b>Anzon Ordinary Shares</b>	fully paid ordinary shares in the capital of Anzon.
<b>Anzon Prescribed Occurrence</b>	<p>other than as required by or as a consequence of the MID or the Scheme, the occurrence of any of the following between the date of the MID and the Conditions Date:</p> <ol style="list-style-type: none"> <li>1) Anzon converting all or any of its shares into a larger or smaller number of shares;</li> <li>2) Anzon or a Material Subsidiary: <ol style="list-style-type: none"> <li>a) entering into a buy-back agreement; or</li> <li>b) resolving to approve the terms of a buy-back agreement;</li> </ol> </li> <li>3) Anzon or a Material Subsidiary resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;</li> <li>4) Anzon or a Material Subsidiary: <ol style="list-style-type: none"> <li>a) making an issue of, or granting an option to subscribe for, any shares or securities convertible into shares; or</li> <li>b) agreeing to make an issue or to grant such an option; <p style="margin-left: 20px;">other than issues of shares following an election to convert by the holder of an option outstanding as of the date of the MID;</p> </li> </ol> </li> <li>5) Anzon making any change or amendment to its constitution;</li> <li>6) Anzon makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) other than the Anzon Dividend and employee bonus payments not exceeding \$2.6 million in aggregate to be paid to certain Anzon employees;</li> <li>7) Anzon or a Material Subsidiary issuing, or agreeing to issue convertible notes or other debt securities;</li> <li>8) Anzon or a Material Subsidiary: <ol style="list-style-type: none"> <li>a) acquiring or disposing of;</li> <li>b) agreeing to acquire or dispose of; or</li> <li>c) offering, proposing, announcing a bid or tendering for; <p style="margin-left: 20px;">any business, assets, entity or undertaking, the value of which exceeds \$2,500,000, other than in the ordinary course of conduct of the operations of Anzon or a Material Subsidiary;</p> </li> </ol> </li> <li>9) Anzon or a Material Subsidiary creating, or agreeing to create, any Security Interest over the whole, or a substantial part, of its business or property: <ol style="list-style-type: none"> <li>a) otherwise than in the ordinary course of business; and</li> <li>b) other than a lien which arises by operation of law or legislation securing an obligation that is not yet due;</li> </ol> </li> </ol>

Term	Meaning
	<p>10) Anzon or a Subsidiary of Anzon resolving that it be wound up or the making of an application or order for the winding up or dissolution of Anzon or a Subsidiary of Anzon other than where the application or order is set aside within 14 days;</p> <p>11) the appointment of a liquidator or provisional liquidator of Anzon or a Subsidiary;</p> <p>12) the making of an order by a Court for the winding up of Anzon or a Subsidiary;</p> <p>13) the appointment of an administrator of Anzon or a Subsidiary under the Corporations Act;</p> <p>14) Anzon or a Subsidiary being deregistered as a company or otherwise dissolved;</p> <p>15) Anzon or a Subsidiary of Anzon becoming unable to pay its debts when they fall due within the meaning of the Corporations Act or otherwise being presumed to be insolvent under the Corporations Act;</p> <p>16) Anzon or a Subsidiary executing a deed of company arrangement; or</p> <p>17) the appointment of a receiver or a receiver and manager, in relation to the whole, or a substantial part, of the property of Anzon or of a Subsidiary.</p>
<p><b>Anzon Share Offers</b></p>	<p>if required by ASIC and only to that extent, offers under a takeover bid made under Chapter 6 of the Corporations Act by Nexus to acquire all of the Anzon Ordinary Shares other than Excluded Shares no later than 4 weeks after acquiring a Relevant Interest in the voting shares of AEL:</p> <p>(a) under which the consideration offered by Nexus for each Anzon Ordinary Share is the same as offered under the Scheme;</p> <p>(b) which is, at most, conditional only on the matters set out in section 652C of the Corporations Act;</p> <p>(c) which offers Anzon Ordinary Shareholders the opportunity to participate in a sale facility to sell the Nexus Shares received as consideration, under which:</p> <p>(i) a person, appointed by Nexus and licensed under the Corporations Act to deal in the relevant class of securities, must sell the Nexus Shares of participating Anzon Ordinary Shareholders and distribute to each participant their proportion of the proceeds of the sale; and</p> <p>(ii) the proceeds received by participating Anzon Ordinary Shareholders are received free of sale expenses; and</p> <p>(d) which complies with any other terms prescribed in an instrument of relief executed by ASIC received by Nexus in relation to the ASIC Application.</p>
<p><b>Applicable Laws</b></p>	<p>any one or more or all, as the context requires, of:</p> <p>(a) the Corporations Act;</p> <p>(b) the Listing Rules; and</p> <p>(c) any practice note, policy statement, class order, declaration, guideline, policy or procedure pursuant to the provisions of which</p>

Term	Meaning
	ASIC is authorized or entitled to regulate, implement or enforce, either directly or indirectly, the provisions of any of the foregoing statutes, regulations, rules, deeds or agreements or any conduct or proposed conduct or any person pursuant to any of those statutes, regulations, rules, deeds or agreements, including RG 60 and RG 142.
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>ASIC Application</b>	<p>the application which Nexus must (if required) make to ASIC for relief by way of a modification of the Corporations Act to permit Nexus to acquire AEL's Relevant Interest in Anzon Ordinary Shares as a result of the AEL Scheme without breaching the Corporations Act if:</p> <p>(a) the AEL Scheme is approved by AEL Shareholders at the AEL Scheme Meeting (or any adjournment or postponement of it at which the AEL Scheme is voted on) by the requisite majorities under the Corporations Act; and</p> <p>(b) the Scheme is not approved by Anzon Ordinary Shareholders at the Scheme Meeting (or any adjournment or postponement of it at which the Scheme is voted on) by the requisite majorities under the Corporations Act.</p>
<b>Associate</b>	has the meaning given in the Corporations Act.
<b>ASX</b>	ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market operated by it.
<b>Business</b>	the business carried on by Anzon and its Subsidiaries as at the date of the MID.
<b>Business Day</b>	a day that is not a Saturday, Sunday or any other day which is a public holiday in the place where an act is to be performed or a payment is to be made.
<b>Conditions Date</b>	5pm on the day prior to the Second Court Date.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>Court</b>	Federal Court of Australia or any other court of competent jurisdiction agreed in writing between Anzon and Nexus.
<b>Crux Project</b>	the exploration, assessment, development, commercial operation and maintenance of the exploration permit AC/P23 granted under the <i>Petroleum (Submerged Lands) Act 1967</i> (Cth) on 30 May 1997, as such permit is modified and renewed, and includes any renewal, extension or variation of the exploration permit, any mining or petroleum title derived from it or any instrument issued in substitution or replacement.
<b>Data Room</b>	the virtual data room established by Deacons on behalf of Anzon and located at <a href="http://vdata.deacons.com.au/kappa/default.aspx">http://vdata.deacons.com.au/kappa/default.aspx</a> and the "black box" data room containing the documents in the Data Room Index.
<b>Data Room Documentation</b>	any document or written information in any form relating to Anzon or any member of the Anzon Group which has been made available to Nexus, or any of its Representatives, or to which Nexus or any of its

<b>Term</b>	<b>Meaning</b>
	Representatives has had access by whatever means (including through data rooms, virtual data rooms, site visits, management presentations and other written correspondence in respect of the Due Diligence.
<b>Data Room Index</b>	the data room index provided by Anzon to Nexus and initialled by both parties for identification.
<b>Effective Date</b>	the date on which the Scheme becomes Effective, and for this purpose Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme.
<b>Election</b>	the decision by the Scheme Shareholder as to the Scheme Consideration they wish to receive in respect of all their Scheme Shares, such decision to be made under the Election Form.
<b>Election Form</b>	a form under which each Scheme Shareholder is entitled to make the Election as to the Scheme Consideration they receive in respect of all their Scheme Shares.
<b>End Date</b>	31 May 2008
<b>Excluded Shares</b>	Anzon Ordinary Shares held by Nexus or its Related Bodies Corporate.
<b>Exclusivity Period</b>	the period from and including the date of the MID up to the earlier of: (a) the End Date; and (b) the termination of the MID in accordance with its terms.
<b>Government Agency</b>	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world, and includes FIRB and ASIC.
<b>Implementation Date</b>	the fifth Business Day after the Transaction Record Date.
<b>Independent Expert</b>	the independent expert in respect of the Scheme appointed by Anzon.
<b>Listing Rules</b>	the official listing rules of the ASX.
<b>Longtom Project</b>	the exploration, assessment, development, commercial operation and maintenance of petroleum exploration permit VICP54 granted under the <i>Petroleum (Submerged Lands) Act 1967 (Cth)</i> on 8 April 2003, and includes the exploration, assessment, development, commercial operation and maintenance of petroleum permit VIC/L29 granted under the <i>Petroleum (Submerged Lands) Act 1967 (Cth)</i> , together with any renewal, extension or variation of that exploration permit or any instrument issued in substitution or replacement.
<b>Material Subsidiary</b>	(a) in the case of Anzon, an operating Subsidiary of Anzon having assets or liabilities in excess of \$500,000; and (b) in the case of Nexus, an operating Subsidiary or Nexus having assets or liabilities in excess of \$500,000.

Term	Meaning
<b>Merger</b>	the implementation of the Scheme.
<b>MID</b>	the Merger Implementation Deed dated 23 January 2008 between Anzon and Nexus.
<b>Nexus</b>	Nexus Energy Limited ABN 64 058 818 278.
<b>Nexus Board</b>	the board of directors of Nexus.
<b>Nexus Prescribed Occurrence</b>	<p>other than as required by or as a consequence of the MID or the Scheme, the occurrence of any of the following between the date of the MID and the Conditions Date:</p> <ol style="list-style-type: none"> <li>1) Nexus converting all or any of its shares into a larger or smaller number of shares;</li> <li>2) Nexus or a Material Subsidiary: <ol style="list-style-type: none"> <li>a) entering into a buy-back agreement; or</li> <li>b) resolving to approve the terms of a buy-back agreement;</li> </ol> </li> <li>3) Nexus or a Material Subsidiary resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;</li> <li>4) Nexus or a Material Subsidiary: <ol style="list-style-type: none"> <li>a) making an issue of, or granting an option to subscribe for, any shares or securities convertible into shares; or</li> <li>b) agreeing to make an issue or to grant an option;</li> </ol> </li> </ol> <p>other than:</p> <ol style="list-style-type: none"> <li>c) issues of shares following an election to convert by the holder of an option or warrant outstanding as of the date of this Deed;</li> <li>d) the issue of options under the Nexus Employee Share Option Plan as approved by shareholders on 28 August 2007;</li> <li>e) the issue of options to a director of Nexus with Nexus shareholder approval;</li> <li>f) the issue of options or warrants to Nexus's financier in relation to or in connection with funding with respect to the Scheme or the AEL Scheme; or</li> <li>g) the issue of Nexus Shares other than during the period commencing 10 Trading Days prior to the VWAP Period and ending on the expiry of the VWAP Period;</li> </ol> <ol style="list-style-type: none"> <li>5) Nexus making any change or amendment to its constitution;</li> <li>6) Nexus makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie);</li> <li>7) Nexus or a Material Subsidiary issuing, or agreeing to issue convertible notes;</li> <li>8) Nexus or a Material Subsidiary: <ol style="list-style-type: none"> <li>a) acquiring or disposing of;</li> <li>b) agreeing to acquire or dispose of; or</li> </ol> </li> </ol>

Term	Meaning
	<p>c) offering, proposing, announcing a bid or tendering for, any business, assets, entity or undertaking, the value of which exceeds \$175 million other than in the ordinary course of conduct of the operations of Nexus or a Material Subsidiary other than with the express written consent of Anzon;</p> <p>9) Nexus or a Material Subsidiary creating, or agreeing to create, any Security Interest over the whole, or a substantial part, of its business or property other than:</p> <p>a) in the ordinary course of business including in connection with the Longtom Project or Crux Project and the financing of those projects and the ongoing subordination arrangements entered into in relation to subordinated notes issued by Nexus;</p> <p>b) in favour of Nexus's financier in relation to or in connection with funding with respect to the Scheme or the AEL Scheme; or</p> <p>c) a lien which arises by operation of law or legislation securing an obligation that is not yet due;</p> <p>10) Nexus or a Subsidiary resolving that it be wound up or the making of an application or order for the winding up or dissolution of Nexus or a Subsidiary of Nexus other than where the application or order is set aside within 14 days;</p> <p>11) the appointment of a liquidator or provisional liquidator of Nexus or a Subsidiary;</p> <p>12) the making of an order by a Court for the winding up of Nexus or a Subsidiary;</p> <p>13) the appointment of an administrator of Nexus or a Subsidiary under the Corporations Act;</p> <p>14) Nexus or a Subsidiary being deregistered as a company or otherwise dissolved;</p> <p>15) Nexus or a Subsidiary becoming unable to pay its debts when they fall due within the meaning of the Corporations Act or otherwise being presumed to be insolvent under the Corporations Act;</p> <p>16) Nexus or a Subsidiary executing a deed of company arrangement; or the appointment of a receiver or a receiver and manager, in relation to the whole, or a substantial part, of the property of Nexus or of a Subsidiary.</p>
<b>Nexus Share Price</b>	<p>the VWAP of Nexus Shares during the VWAP Period rounded up or down to the nearest cent with 0.5 being rounded up provided that:</p> <p>(a) if it is below \$1.50, it is deemed to be equal to \$1.50; and</p> <p>(b) if it is above \$2.05, it is deemed to be equal to \$2.05.</p>
<b>Nexus Shares</b>	<p>fully paid ordinary shares in the capital of Nexus.</p>
<b>Option Purchase Agreement</b>	<p>an agreement between Nexus and a holder of Anzon Options under which Nexus has agreed to purchase all of that holder's Anzon Options in exchange for Nexus Shares such agreement to be subject to the Scheme becoming Effective.</p>
<b>Prescribed</b>	<p>an Anzon Prescribed Occurrence or a Nexus Prescribed Occurrence.</p>

<b>Term</b>	<b>Meaning</b>
<b>Occurrence</b>	
<b>Regulatory Approvals</b>	has the meaning given to that term in the Regulatory Approvals condition precedent detailed in section 1.1 of this summary.
<b>Regulatory Authority</b>	includes: (a) a Government Agency; (b) any regulatory organisation established under statute; and (c) ASX.
<b>Relevant Interest</b>	has the meaning given in sections 608 and 609 of the Corporations Act.
<b>Representative</b>	in relation to a party: (a) each of the party's Subsidiaries; and (b) each of the directors, officers, senior managers, agents, contractors, advisers and financiers of the party or of any of its Subsidiaries.
<b>RG 142</b>	ASIC Regulatory Guide 142.
<b>RG 60</b>	ASIC Regulatory Guide 60.
<b>Scheme</b>	the scheme of arrangement under Part 5.1 of the Corporations Act between Anzon and the Scheme Shareholders in respect of all the Anzon Ordinary Shares with such amendments as Anzon and Nexus may agree.
<b>Scheme Booklet</b>	the information more fully described in the MID to be despatched to the holders of Anzon Ordinary Shares which must include the Scheme, the Independent Expert's report, notices of meeting and proxy forms and an explanatory statement complying with the requirements of the Corporations Act, RG 60 and RG 142.
<b>Scheme Consideration</b>	the consideration to be provided by Nexus under the MID to Scheme Shareholders for the transfer of each Anzon Ordinary Share in accordance with the Scheme, the form of such consideration to be paid to Scheme Shareholders at the Scheme Shareholder's election.
<b>Scheme Meeting</b>	the meeting ordered by the Court pursuant to the Scheme to be convened under section 411(1) of the Corporations Act and any other meetings of the members of Anzon necessary to implement the transactions contemplated by the MID.
<b>Scheme Shareholders</b>	each person, who is registered in the register of members of Anzon as the holder of an Anzon Ordinary Share as at the Transaction Record Date (other than holders of Excluded Shares).
<b>Scheme Shares</b>	Anzon Ordinary Shares on issue at the Transaction Record Date.
<b>Second Court Date</b>	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.
<b>Security Interest</b>	any mortgage, pledge, lien or charge or any security or preferential

Term	Meaning
	interest or arrangement of any kind (including retention of title and any deposit of money by way of security).
<b>Subsidiary</b>	has the meaning given to it in the Corporations Act.
<b>Superior Proposal</b>	<p>a publicly announced bona fide Third Party Proposal which the Anzon Board acting in good faith (after consultation with its legal and financial advisers) determines is:</p> <p>(a) reasonably capable of being completed taking in account all aspects of the Third Party Proposal; and</p> <p>(b) more favourable for Anzon Ordinary Shareholders than the Scheme (taking into account, among other things, all legal, financial, regulatory and other aspects of the Third Party Proposal and the identity of the offeror).</p>
<b>Tax</b>	any tax, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding, which is assessed, levied, imposed or collected by any Governmental Agency and includes any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any Tax.
<b>Third Party Proposal</b>	<p>in relation to a party, or any Material Subsidiary of a party, any expression of interest, proposal or offer in relation to a bid, scheme, joint venture, dual listed company structure, purchase of a main undertaking, share issue or other similar reorganisation by any person under which if the interest, proposal or offer is entered into or completed a person other than the other party and its Representatives:</p> <p>(a) (together with the person's Associates) may acquire a Relevant Interest in more than 20% of one or more classes of securities of the party;</p> <p>(b) may acquire voting power (as defined in Chapter 6 of the Corporations Act) of more than 20% in the party's share capital;</p> <p>(c) may acquire, directly or indirectly any interest (including legal, equitable or economic) in all or a material part of the business or assets (on a consolidated basis) of the party;</p> <p>(d) may otherwise merge or amalgamate with the party; or</p> <p>(e) may acquire control (as determined in accordance with section 50AA of the Corporations Act) of the party or any Material Subsidiary of the party.</p> <p>For the purposes of paragraph (c), the acquisition of an interest in a part of the business or assets (on a consolidated basis) of a party or any of its Material Subsidiaries will be material if:</p> <p>(f) the relevant business or businesses contribute 20% or more of the consolidated net profit after tax of the party or the Material Subsidiary (as appropriate); or</p> <p>(g) the assets represent 20% or more of the total consolidated assets of the party or the Material Subsidiary (as appropriate).</p>
<b>Trading Day</b>	a day upon which ASX is open for trading.
<b>Transaction</b>	the acquisition by Nexus of all the Scheme Shares through implementation of the Scheme in accordance with the terms of the MID.

<b>Term</b>	<b>Meaning</b>
<b>Transaction Record Date</b>	5.00pm (Sydney time) on the fifth Trading Day after the date on which the Scheme, if approved, becomes Effective.
<b>VWAP</b>	the volume weighted average sale price of the shares sold on ASX excluding transactions defined in the ASX Market Rules as "special", crossings prior to the commencement of the open session state, crossings during after hours or overnight trading, overseas trades or trades pursuant to the exercise of options.
<b>VWAP Period</b>	the period of 20 Trading Days up to (but not including) the date of the Scheme Meeting.