



Unconditional Cash Offer for Engenco

12 December 2012

Elph Pty Ltd (**Elph**) announces that following an approach from the independent directors of Engenco Limited (**Engenco**), Elph will make an all cash unconditional bid to acquire all of the issued shares in Engenco for **18 cents** cash per share (**Bid**). Elph currently holds a 37.6% shareholding in Engenco.

The Bid will give Engenco shareholders, including those who do not wish to participate in the replacement 3 for 2 renounceable entitlement offer at 15 cents per share announced today (**Entitlement Offer**), an alternative option to exit their investment at a price greater than the price under the Entitlement Offer.

The Bid will be implemented through an off-market takeover offer for current and new shares in Engenco.

The Entitlement Offer at 15 cents follows a substantial earnings downgrade by Engenco announced today. Elph continues to support the Entitlement Offer as sub-underwriter.

The Bid is proceeding on the basis that it applies not only to existing shares, but also extends to all new Engenco shares which are issued under the Entitlement Offer. This allows Engenco shareholders to take up their entitlements at 15 cents per share under the Entitlement Offer and accept into the Bid at 18 cents per share if they so wish.

As stated above the Bid will be unconditional. The Bid consideration will be fully funded by Elph from its current internal resources. The Bid values Engenco at \$56 million on a post Entitlement Offer basis. Engenco has established an independent board committee in relation to the Bid.

Engenco has entered into a Bid Implementation Deed with Elph, a copy of which is **attached**. The Deed requires Engenco to pay a break fee of \$250,000 to Elph in certain cases. Full details are outlined in the attached Deed.

The Engenco independent directors have indicated to Elph that they welcome the Bid as providing needed support to the Entitlement Offer. However, the Engenco independent directors have indicated they do not intend to consider making a formal recommendation to shareholders regarding the Bid until after Engenco has received the Independent Expert's Report to be included in its target's statement response in relation to the Bid.

The indicative Bid timetable is as follows:

- Mid to late December 2012 - Bidder's Statement lodged with ASX and ASIC
- Mid January 2013 - Bidder's Statement dispatched to Engenco shareholders and offers open for acceptance
- Mid to late January 2013¹ - Target's Statement dispatched to Engenco shareholders

Baker & McKenzie is acting as legal adviser to Elph in relation to the Bid.

For further information contact:

Dale Elphinstone
Executive Chairman
Elph Pty Ltd
Tel: +613 6430 0000

¹ Subject to timely receipt of the Independent Expert's Report.

Bid Implementation Deed

Elph Pty Ltd

Engenco Limited

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Australia

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Date 11 December 2012

Parties **Elph Pty Ltd** (ABN 52 070 012 252) of 141-143 Wilson Street, Burnie, Tasmania 7320 (*Bidder*)

Engenco Limited (ABN 99 120 432 144) of Level 22, 535 Bourke Street, Melbourne Victoria 3000 (*Target*)

Recitals

- A. The Bidder proposes to make the Bid following an approach from the Independent Target Directors.
- B. The parties wish to set out the conduct of the Bid process in this Deed.

Operative provisions

1 Definitions and Interpretation

Definitions

- 1.1 In this Deed unless the context requires another meaning:

Adviser means a financial, legal, accounting, technical, or other professional or expert adviser to a person.

Agreed Bid Terms means the terms and conditions set out in Schedule 1.

Announcement means the announcement in the form agreed between the parties.

Announcement Date means the date specified as such in clause 3.2.

ASIC means the Australian Securities and Investments Commission.

ASIC Relief means a declaration by ASIC under section 655A of the Corporations Act to enable the Bid to be extended to any New Target Shares issued after the date set by the Bidder under section 633(2) of the Corporations Act but before the end of the Offer Period.

ASX means ASX Limited or, where the context requires, the financial market which it operates.

Bid means an off-market takeover bid in accordance with the Corporations Act in respect of all of the Target Shares.

Bidder Indemnified Party means the Bidder, its Officers and its Advisers.

Bidder's Statement means the bidder's statement prepared by the Bidder in accordance with the Corporations Act in respect of the Bid.

Business Day means a day which is not a Saturday, Sunday or public holiday in Melbourne, Victoria.

Competing Proposal means any expression of interest, offer or proposal by any person (other than the Bidder or its associates):

- (a) to consider or enter into any transaction which, if ultimately completed, will have the result that:
 - (i) any person or two or more persons who are associates (other than the Bidder or its associates) will, or would reasonably be expected to, acquire voting power in 20% or more of the Target Shares; or
 - (ii) a person (other than the Bidder or its associates) will, or would reasonably be expected to, acquire control of the Target, within the meaning of section 50AA of the Corporations Act,

including by way of a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, shareholder-approved Target Share acquisition or issuance, share buy-back or repurchase, reverse takeover, establishment of a new holding entity for the Target or any other transaction or arrangement with the Target;
- (b) to acquire, have a right to acquire or obtain an economic interest in (whether directly or indirectly) all or a substantial part of the assets or business of the Target Group; or
- (c) to form a dual listed company structure, stapled security structure or other form of synthetic merger having the same or substantially the same effect as a takeover bid for, or scheme of arrangement or merger in respect of, the Target.

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

Entitlement Offer means the 3 for 2 renounceable pro-rata entitlement offer to subscribe for New Target Shares at \$0.15 per New Target Share announced to the ASX by the Target on or about the date of this Deed.

Government Agency means:

- (a) a government, whether foreign, federal, state, territorial or local or a department, office or minister of a government acting in that capacity; or
- (b) a commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal body, department, tribunal, entity or authority, whether statutory or not, and includes any self-regulatory organisation established under statute or any stock exchange.

Independent Target Directors means the directors of Target other than the directors associated with the Bidder.

Independent Expert means the independent expert appointed by the Target to prepare an expert's report to be included in or to accompany the Target's Statement.

Independent Expert Report means the report of the Independent Expert included in or accompanying the Target's Statement.

New Target Shares means Target Shares issued under the Entitlement Offer.

Offer means the offers made under the Bid and in accordance with clause 2.2.

Offer Period mean the period during which the Offer is open for acceptance.

Officer means a director, secretary, other officer, employee or agent.

Representative means, in relation to an entity:

- (a) each of the entity's related bodies corporate; and
- (b) each of the Officers and Advisers of the entity or any of its related bodies corporate.

Subsidiary has the same meaning as in the Corporations Act and includes a controlled entity of the relevant person.

Target Group means the Target and its Subsidiaries.

Target Indemnified Party means the Target, its Officers and its Advisers.

Target Shares means fully paid ordinary shares in the capital of the Target including any New Target Shares.

Target Shareholders means holders of Target Shares.

Target's Statement means the target's statement prepared by the Target in accordance with the Corporations Act in response to the Bid.

Transaction means the Offer to be made and implemented in accordance with this Deed.

1.2 In this Deed:

- (a) unless the context otherwise requires, a reference to:
 - (i) **dollars** or **\$** are to Australian dollars, the lawful currency of the Australia;
 - (ii) the singular includes the plural and vice versa;
 - (iii) a gender includes all genders;
 - (iv) a document (including this Deed) is a reference to that document (including any schedules and annexures) as amended, consolidated, supplemented, novated or replaced;
 - (v) an agreement includes any undertaking, representation, deed, agreement or legally enforceable arrangement or understanding whether written or not;
 - (vi) parties means the parties to this Deed and to a party means a party to this Deed;
 - (vii) an item, recital, clause, schedule or Annexure is to an item, recital, clause, schedule or Annexure of or to this Deed;
 - (viii) a notice means all notices, approvals, demands, requests, nominations or other communications given by one party to another under or in connection with this Deed;
 - (ix) a person (including any party) includes:
 - (A) a reference to an individual, company, other body corporate, association, partnership, firm, joint venture, trust or Government Agency as the case requires; and

- (B) the person's successors, permitted assigns, executors and administrators;
- (x) a law:
 - (A) includes a reference to any constitutional provision, subordinate legislation, treaty, decree, convention, statute, regulation, rule, ordinance, proclamation, by-law, judgment, rule of common law or equity or rule of any applicable stock exchange;
 - (B) is a reference to that law as amended, consolidated, supplemented or replaced; and
 - (C) is a reference to any regulation, rule, ordinance, proclamation, by-law or judgment made under that law;
- (xi) a body, other than a party to this Deed (including, without limitation, an institute, association or authority), whether statutory or not:
 - (A) which ceases to exist; or
 - (B) whose powers or functions are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (xii) the word including or includes means including, but not limited to, or includes, without limitation;
- (b) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (c) subject to any express provision in this Deed to the contrary, a warranty, representation, covenant or obligation given or entered into by more than one person is given severally only and not jointly;
- (d) headings are for convenience only and do not affect interpretation;
- (e) if a payment or other act must (but for this clause) be made or done on a day which is not a Business Day, then it must be made or done on the next Business Day;
- (f) if a period occurs from, after or before a day or the day of an act or event, it excludes that day;
- (g) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this Deed or any part of it; and
- (h) terms which are not defined in this Deed and which are defined in, or given a meaning for the purpose of, the Corporations Act have the meaning given in the Corporations Act.

2 Announcement and Bid

Announcement

- 2.1 The Bidder and the Target must make the Announcement on the Announcement Date.

Making the Bid

- 2.2 Bidder agrees to make offers to all Target Shareholders pursuant to a takeover bid under Chapter 6 of the Corporations Act to acquire all the Target Shares on terms and conditions no less favourable to Target Shareholders than the Agreed Bid Terms.
- 2.3 Bidder undertakes to ensure that the offers referred to in clause 2.2 relate to all Target Shares.

Conduct of the Bid

- 2.4 The Bidder may vary the terms and conditions of the Bid in any manner which is permitted by the Corporations Act, provided the varied terms and conditions are not less favourable to Target Shareholders than the Agreed Bid Terms.
- 2.5 Subject to the Corporations Act, the Bidder may extend the Bid at any time.

3 Facilitation of the Offer**Draft statements**

- 3.1 Each of the Bidder and the Target will give the other a reasonable opportunity to review an advanced draft of their respective Bidder's Statement and Target's Statement (including the draft Independent Expert Report) and will consult in good faith with respect to any comments made by the other.

Indicative Timetable

- 3.2 The parties must use their respective best endeavours to comply with the following indicative timetable:

On or immediately following the date of this Deed	Announcement Date
Mid to late December 2012	Lodgement of Bidder's Statement
Mid January 2013	Despatch of Bidder's Statement
Mid to late January 2013	Despatch of Target's Statement

Despatch

- 3.3 The Target agrees that the Offers and accompanying documents to be sent by the Bidder under item 6 of section 633(1) of the Corporations Act may be sent on a date nominated by the Bidder that is earlier than the date otherwise specified under item 6 of section 633(1) of the Corporations Act.

Conduct of the business

- 3.4 During the Offer Period, the Target must carry on its business in accordance with normal and prudent practice and in the ordinary course. For the purposes of this clause 3.4, responding to the Bid and carrying out the Entitlement Offer (together with any associated activity and expenditure) in accordance with this Deed is deemed to be the Target carrying on its business in the ordinary course.

- 3.5 The Target must not, without the Bidder's consent, undertake any matter referred to in section 652C(1) of the Corporations Act in relation to the Target or any member of the Target Group (other than in relation to the issue of New Target Shares under the Entitlement Offer) during the period commencing on the Announcement Date and ending at the end of the Offer Period.

Access to information

- 3.6 The Target must provide the Bidder and its Representatives with reasonable access during normal business hours to:
- (a) the Target Group's employees, offices, properties and other facilities for the purpose of implementing the Transaction or that may reasonably be required by the Bidder and its Advisers;
 - (b) all information concerning the Target Group including information contained in any books and records of any member of the Target Group; and
 - (c) all information about the Target Group that the Bidder or its professional advisers reasonably require to prepare the documentation for obtaining any regulatory consents.

Independent Expert Report

- 3.7 The Bidder acknowledges that the Target will be obtaining an Independent Expert Report which will be sent to Target Shareholders together with the Target's Statement.
- 3.8 The Target agrees to:
- (a) allow the Bidder reasonable access to the Independent Expert upon reasonable notice given by the Bidder to the Target, subject to:
 - (i) the Target and its representatives being entitled to be present at all discussions or meetings with the Independent Expert; and
 - (ii) the preservation of the independence of the Independent Expert; and
 - (b) use its reasonable endeavours to provide a copy of the first draft of the Independent Expert Report (along with an advanced draft of the Target's Statement) as soon as practicable upon receipt of such draft from the Independent Expert.
- 3.9 The Bidder acknowledges that the Independent Expert Report may be updated from time to time by the Independent Expert to reflect events and circumstances subsequent to the issue of the report and that references in this Deed to the opinion of the Independent Expert include references to that opinion as varied or supplemented at any time.

ASIC Relief

- 3.10 The Bidder must lodge its application for ASIC Relief as soon as practicable after the date of this Deed.
- 3.11 The Target must provide all reasonable assistance to the Bidder to enable the ASIC Relief to be obtained as soon as possible, including (if required) providing any information, or making any submissions in support, to ASIC in relation to the application for ASIC Relief.

4 Break Fee

Break Fee

4.1 Subject to clauses 4.2 and 4.3, if a Competing Proposal is announced or put to the Independent Target Directors and either:

- (a) at any time during the Offer Period, the proponent of the Competing Proposal acquires voting power or an economic interest in more than 20% of Target Shares or acquires or obtains an economic interest in all or a substantial part of the assets or businesses of the Target Group; or
- (b) the Competing Proposal is recommended or promoted by any director of the Target not associated with the Bidder,

then the Target must pay to the Bidder the amount of \$250,000 (*Break Fee*).

Compliance with law

4.2 If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a court that all or any part of the Break Fee required to be paid under clause 4.1 (*Impugned Amount*):

- (a) is unlawful;
- (b) involves a breach of directors' duties; or
- (c) constitutes unacceptable circumstances,

then:

- (d) the requirement to pay the Break Fee does not apply to the extent of the Impugned Amount; and
- (e) if the Bidder has received the Impugned Amount, it must refund it within 10 Business Days of the final determination being made.

Regulatory intervention

4.3 If any regulatory body (including ASIC or the Takeovers Panel) requires any modification to the Break Fee, including as to the amount or circumstances in which it is to be paid, then:

- (a) the parties will accept this determination and amend this Deed to that extent, and
- (b) it will not result in a breach of this Deed or termination of the transactions contemplated by it.

Acknowledgments

4.4 The Target acknowledges that:

- (a) it has received legal advice on this Deed and the operation of this clause;
- (b) it considers this clause to be fair and reasonable and that it is appropriate to agree to the terms in this clause in order to secure the significant benefits to it (and its shareholders) resulting from the Transaction;
- (c) the Break Fee has been calculated to reimburse the Bidder for the following:

- (i) fees for legal and financial advice in planning and pursuing the Transaction;
- (ii) reasonable opportunity costs incurred in engaging in the Transaction and in not engaging in other alternative transactions or strategic initiatives;
- (iii) cost of management and directors' time in planning and pursuing the Transaction; and
- (iv) out-of-pocket expenses incurred in planning and pursuing the Transaction, incurred by the Bidder directly or indirectly as a result of having entered into this Deed and pursuing the Transaction;
- (d) the amount of fees, costs and expenses referred in clause 6.5(c) is inherently unascertainable and that, even after termination of this Deed, the costs will not be able to be accurately ascertained; and
- (e) the amount of the Break Fee is a genuine pre-estimate of the amount of fees, costs and losses referred to in clause 6.5(c), it being acknowledged by the parties that the costs would most likely be in excess of the Break Fee.

Payment

- 4.5 Any Break Fee which is payable under this clause must be paid within 5 Business Days of receipt of a written demand from the Bidder following the occurrence of any of the events specified in clause 4.1.
- 4.6 To avoid doubt, the Break Fee is only payable once.

Notification

- 4.7 During the Offer Period, if a Competing Proposal is put to the Target then the Target must promptly inform the Bidder of that fact, the identity of the person or persons and the key terms of any proposal made by that person.

5 Warranties

Target representations and warranties

- 5.1 The Target represents and warrants to the Bidder that, at the date of this Deed:
 - (a) the Independent Target Directors have met and considered the possibility of the Bidder agreeing to make the Bid;
 - (b) it and each of its Subsidiaries is duly incorporated under the laws of its place of incorporation;
 - (c) it has the power and authority to sign this Deed and perform and observe all its terms;
 - (d) this Deed has been duly executed and is a legal, valid and binding deed enforceable in accordance with its terms;
 - (e) this Deed does not and will not conflict with or result in the breach of or default under any provision of its constitution or any material term or provision of any order, judgment, or law to which it, or any of its Subsidiaries, is a party or is subject or by which it or any of its Subsidiaries is bound;

- (f) neither the execution or performance by it of this Deed nor any transaction contemplated under this Deed will breach or accelerate the obligations of it or of any of its Subsidiaries under any provision of any material agreement or deed to which any of them is a party;
- (g) it is not in breach of its continuous disclosure obligations under the Listing Rules or the Corporations Act, and is not relying on Listing Rule 3.1A to withhold any information from disclosure, other than, as at the date of this Deed, the existence, status and other information concerning the transactions contemplated in this Deed; and
- (h) there are 124,224,766 Target Shares on issue, and it is not under any obligation to issue and has not granted any person the right to call for the issue of any shares or other securities in it.

Target indemnities

- 5.2 The Target agrees with the Bidder (on the Bidder's own behalf and separately as trustee for each of the other Bidder Indemnified Parties) to indemnify and keep indemnified the Bidder Indemnified Parties from and against all claims, liabilities and loss which any of the Bidder Indemnified Parties may suffer or incur by reason of any breach of any of the representations and warranties in clause 5.1.

Bidder representations and warranties

- 5.3 The Bidder represents and warrants to the Target that, at the date of this Deed:
- (a) it is duly incorporated under the laws of its place of incorporation;
 - (b) it has the power and authority to sign this Deed and perform and observe all its terms;
 - (c) this Deed has been duly executed and is a legal, valid and binding deed enforceable in accordance with its terms; and
 - (d) this Deed does not and will not conflict with or result in the breach of or default under any provision of its constitution or any material term or provision of any order, judgment, or law to which it is a party or is subject or by which it is bound; and
 - (e) the Bidder has sufficient resources available to it to fund the Offers made in accordance with this Deed.

Bidder indemnities

- 5.4 The Bidder agrees with the Target (on the Target's own behalf and separately as trustee for each of the other Target Indemnified Parties) to indemnify and keep indemnified the Target Indemnified Parties from and against all claims, liabilities and loss which any of the Target Indemnified Parties may suffer or incur by reason of any breach of any of the representations and warranties in clause 5.3.

Survival

- 5.5 Each representation, warranty and indemnity in clause 5:
- (a) is severable;
 - (b) will survive termination of this Deed; and

- (c) is given with the intent that liability under it is not confined to breaches which are discovered before the date of termination of this Deed.

6 Termination

Termination rights

- 6.1 This Deed may be terminated by a party by written notice to the other party if:
- (a) the other party is in material breach of this Deed and, to the extent that the breach is capable of remedy, that breach is not remedied by that other party within 10 Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate; or
 - (b) the Bid lapses for any reason.

Effect of termination

- 6.2 If this Deed is terminated by another party under this clause 6:
- (a) each party will be released from its obligations under this Deed except its obligations under clause 7 and other obligations which by their nature or express terms survive termination;
 - (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this Deed; and
 - (c) in all other respects, all future obligations of the parties under this Deed will immediately terminate and be of no further force or effect, including without limitation any further obligations in respect of the Bid.

7 Confidentiality

General

- 7.1 No party may disclose the existence or contents of this Deed except:
- (a) in the Announcement;
 - (b) to that party's professional advisers; or
 - (c) to the extent required by law or the rules of any financial market (provided the disclosing party consults with the other party as to the form and content of any disclosure required and uses its best endeavours to minimise the extent of such disclosure).

Disclosure in Bidder's Statement or Target's Statement

- 7.2 For the avoidance of doubt, disclosure of the existence or contents of this Deed in the Bidder's Statement or the Target's Statement will be subject to the requirements of clause 7.1(c) above.

8 Notices

Requirements

8.1 All notices must be:

- (a) in legible writing and in English;
- (b) addressed to the receiving party at the address or fax number set out below or to any other address or fax number that a party may notify to the other:

to the **Target**:

Address:	As set out above
Attention:	Independent Directors
Fax no:	+61 3 8620 8999

to the **Bidder**:

Address:	As set out above
Attention:	Managing Director
Fax no:	+61 3 6431 9059

- (c) signed by the sender or, where the sender is a company, by an Authorised Officer or under the common seal of the sender; and
- (d) sent to the receiving party by hand, prepaid post (airmail if to or from a place outside Australia) or fax.

Receipt

8.2 Without limiting any other means by which a party may be able to prove that a notice has been received by the other party, a notice will be considered to have been received:

- (a) if sent by hand, when left at the address of the receiving party;
- (b) if sent by prepaid post, 3 days (if posted within Australia to an address in Australia) or 10 days (if posted from one country to another) after the date of posting; or
- (c) if sent by fax, on receipt by the sender of an acknowledgment or transmission report generated by the sender's machine indicating that the whole fax was sent to the receiving party's fax number,

but if a notice is served by hand, or is received by the receiving party's fax, on a day that is not a Business Day, or after 5:00 pm on a Business Day, the notice will be considered to have been received by the receiving party at 9.00 am on the next Business Day.

9 General provisions

Costs

- 9.1 Each party must bear its own costs and expenses in relation to the negotiation, preparation, execution and stamping of this Deed.

Further assurances

- 9.2 Each party must, at its own expense, whenever reasonably requested by the other party, promptly do or arrange for others to do, everything reasonably necessary or desirable to give full effect to this Deed.

Successors and assigns

- 9.3 This Deed is binding on, and has effect for the benefit of, the parties and their respective successors and permitted assigns.

Assignment

- 9.4 A party must not assign or deal in any way with any of its rights under this Deed without the other party's prior written consent.

Waiver and exercise of rights

- 9.5 A waiver by a party of a provision of or of a right under this Deed is binding on the party granting the waiver only if it is given in writing and is signed by the party or an authorised officer of the party granting the waiver.
- 9.6 A waiver is effective only in the specific instance and for the specific purpose for which it is given.
- 9.7 A single or partial exercise of a right by a party does not preclude another exercise or attempted exercise of that right or the exercise of another right.
- 9.8 Failure by a party to exercise or delay in exercising a right does not prevent its exercise or operate as a waiver.

Rights cumulative

- 9.9 The rights, remedies and powers of the parties under this Deed are cumulative and do not exclude any other rights, remedies or powers provided by law and in equity independently of this Deed.

Indemnities

- 9.10 Each indemnity in this Deed is a continuing obligation, separate from and independent of the other obligations and survives the termination of this Deed.
- 9.11 It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity under this Deed.

Invalid or unenforceable provisions

- 9.12 If a provision of this Deed is invalid or unenforceable in a jurisdiction:



- (a) it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability; and
- (b) that fact does not affect the validity or enforceability of that provision in another jurisdiction, or the remaining provisions.

GST

- 9.13 Unless expressly included, the consideration for any supply under or in connection with this Deed does not include GST.
- 9.14 To the extent that any supply made by a party to another party (*Recipient*) under or in connection with this Deed is a taxable supply and a tax invoice has been provided to the Recipient, the Recipient must pay, in addition to the consideration to be provided under this Deed for that supply (unless it expressly includes GST) an amount equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply.
- 9.15 The amount of GST payable in accordance with this clause will be paid at the same time and in the same manner as the consideration otherwise payable for the supply is provided.

Amendment

- 9.16 This Deed may be amended only by a document signed by all parties.

Counterparts

- 9.17 This Deed may be signed in counterparts and all counterparts taken together constitute one document.

Governing law

- 9.18 This Deed is governed by the laws of Victoria.

Jurisdiction

- 9.19 Each party irrevocably and unconditionally:
 - (a) submits to the non-exclusive jurisdiction of the courts of Victoria; and
 - (b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

Schedule 1

Agreed Bid Terms

1. Offer Price

The Bidder offers to each Target Shareholder \$0.18 for every 1 Target Share held.

The Bid will extend to any New Target Shares issued before the end of the Offer Period subject to the receipt of ASIC Relief. If ASIC Relief is refused or substantially delayed, the register date for the Offer under section 633(2) of the Corporations Act will be after the date the New Target Shares are issued.

2. No Conditions

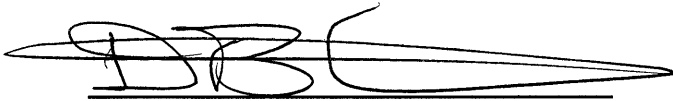
The Offer is unconditional.



Execution

Executed as a deed.

Signed, sealed and delivered by
Elph Pty Ltd
by a director and secretary/director:



Signature of director



Signature of ~~secretary~~ director

Dale B Elphinstone

Name of director (please print)

Vince De Santis

Name of ~~secretary~~ director (please print)

Signed, sealed and delivered by
Engenco Limited
by a director and secretary/director:

Signature of director

Signature of secretary/ director

Name of director (please print)

Name of secretary/ director (please print)



Execution

Executed as a deed.

**Signed, sealed and delivered by
Elph Pty Ltd**
by a director and secretary/director:

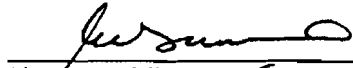
Signature of director

Signature of secretary/ director


Name of director (please print)

Name of secretary/ director (please print)

**Signed, sealed and delivered by
Engenco Limited**
by a director and secretary/director:



Signature of director

 11 DEC 12

Signature of ~~secretary~~ director

ROSS DUNNING

Name of director (please print)

DONALD HECTOR

Name of ~~secretary~~ director (please print)