

21 March 2019

CIRCULAR TO CREDITORS – ADDENDUM TO SECOND REPORT

To the Creditors by Email (where available)

**GREATCELL SOLAR LIMITED (ADMINISTRATORS APPOINTED)
ACN 111 723 883 (“GSL”)
GREATCELL SOLAR AUSTRALIA PTY LTD (ADMINISTRATORS APPOINTED)
ACN 131 374 064 (“GSA”)
GREATCELL SOLAR INDUSTRIES PTY LTD (ADMINISTRATORS APPOINTED)
ACN 083 102 498 (“GSI”)**

Dear Sir / Madam

We refer to our Second Report to Creditors dated 14 March 2019. This is an addendum to that Report.

On 20 March 2019, we received an amended Deed of Company Arrangement (“DOCA”) proposal from each Onergy Pty Ltd and the Otsana Syndicate. The amended DOCA proposals are attached. Given the short amount of time, this Addendum is only being sent to those creditors where we have email contact details. The concurrent second meetings of creditors will proceed tomorrow, 22 March 2019, where these amended DOCA proposals will be tabled for creditors’ consideration.

We have had very limited time to consider the amended DOCA proposals, however note that both proposals are improved. We particularly note the following:

- Onergy have increased their overall DOCA contribution amount by \$300K.
- The Otsana DOCA proposal now requires \$1.35M to be paid to the Creditors Trust, rather than creditors having to wait for the ATO R&D Rebate, which we had previously estimated the recoverable value at between nil to \$350K.

We confirm that the concurrent Second Meeting of Creditors will be held tomorrow **Friday, 22 March 2019 at 11:00AM AEDT at Waldorf Canberra Apartment Hotel, The Chatham House Room, Waldorf on London, 2 Akuna Street, Civic ACT 2601.**

Yours faithfully

**GREATCELL SOLAR LIMITED (ADMINISTRATORS APPOINTED)
GREATCELL SOLAR INDUSTRIES PTY LIMITED (ADMINISTRATORS APPOINTED)
GREATCELL SOLAR AUSTRALIA PTY LIMITED (ADMINISTRATORS APPOINTED)**



PETER KREJCI

Joint and Several Administrator

Silvia | Krejci | Cummins | Karam |

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DOCA PROPOSAL FOR GREATCELL SOLAR LIMITED (ADMINISTRATORS APPOINTED), GREATCELL SOLAR INDUSTRIES PTY LTD (ADMINISTRATORS APPOINTED) AND GREATCELL SOLAR AUSTRALIA PTY LTD (ADMINISTRATORS APPOINTED) BY ONERGY PTY LTD

- | | | |
|----|----------------------------|--|
| 1. | DOCA proponent | Onergy Pty Ltd (Onergy). |
| 2. | Outline of proposal | <p>Onergy proposes a deed of company arrangement (DOCA) for Greatcell Solar Limited (administrators appointed) (GSL), Greatcell Solar Industries Pty Ltd (administrators appointed) (GSI) and Greatcell Solar Australia Pty Ltd (administrators appointed) (GSA, and together with GSL and GSI, Deed Companies).</p> <p>Under the terms of the DOCA, Onergy will inject \$2.58 million (Subscription Amount) of new capital into GSL in return for the issue (to Onergy or one or more nominees) of a sufficient number of shares in GSL (New Shares) such that Onergy (and/or its nominees) will hold 80% of the issued shares in GSL on a fully diluted basis.</p> <p>Upon completion of the DOCA the Subscription Amount will be applied as follows:</p> <ul style="list-style-type: none"> (a) the secured debt owed jointly and severally by the Deed Companies to the Commonwealth Bank of Australia will be repaid in full; (b) \$1.82.1 million (Fund Amount) will be paid into a creditors' trust to pay any unpaid costs and expenses of the administration and deed administration and for the benefit of those creditors of the Deed Companies whose claims will be released by the DOCA (see section 7 below); and (c) the balance of the Subscription Amount will be retained by GSL for working capital. <p>Completion and effectuation of the DOCA will be conditional on shareholder approval, the ASX agreeing to restore GSL's ASX listing and any necessary regulatory approvals, waivers and exemptions.</p> |
| 3. | Implementation Deed | <p>As soon as practicable following acceptance of this DOCA proposal, Onergy and the Administrators will enter into an Implementation Deed to give effect to the DOCA proposal under which:</p> <ul style="list-style-type: none"> (a) Onergy will be granted exclusivity; (b) the Administrators will agree (subject to their statutory obligations) to recommend that the creditors of each Deed Company approve a deed of company arrangement in a form which is consistent with the terms of this DOCA proposal at the meetings of creditors to be convened pursuant to section 439A of the <i>Corporations Act 2001</i> (Cth) (Corporations Act) (Second Meetings) and held on or before 22 March 2019; and (c) the parties will agree terms governing the conduct of the business of the Deed Companies until completion of the DOCA. |

4. **Pre-conditions to completion of DOCA**

Completion of the DOCA will be conditional on:

- (a) the creditors of each Deed Company approving the DOCA at a second creditors meeting which is convened and held on or before 22 March 2019;
- (b) the Commonwealth Bank of Australia voting in favour of the DOCA or otherwise agreeing to release and discharge its security interests;
- (c) all necessary regulatory approvals, waivers and exemptions required in connection with the transactions contemplated by the DOCA and the ASX agreeing to restore GSL's ASX listing;
- (d) all necessary shareholder approvals required in connection with the issue of the New Shares (including a share consolidation if, and on the terms, required by Onergy) (**Shareholder Approvals**);
- (e) execution of the trust deed constituting the creditors trust referred to in section 8 (**Creditors Trust**); and
- (f) New Moonie Petroleum Pty Ltd (**NMP**) entering into an amendment to the terms of the convertible note funding advanced by NMP to the Deed Companies (**NMP Convertible Note**) to extend the date for repayment of the NMP Funding to the earlier of (i) 31 August 2019; or (ii) the date on which GSL completes a recapitalisation transaction following implementation of the DOCA under which an aggregate amount of at least \$10 million is raised, in exchange for, and conditional upon, the grant of new security over all assets of the Deed Companies to NMP immediately following effectuation of the DOCA as contemplated in section 9 below.

The conditions to completion of the DOCA are for the benefit of Onergy and may only be waived by Onergy.

NMP has agreed to the amendments referred to above subject to being granted all assets security by each of the Deed Companies following completion of the DOCA.

5. **Control of the Deed Companies**

Upon execution of the DOCA, control of each Deed Company will revert to its directors (other than in respect of the Deed Companies' cash at bank and NIMS trade debtor claim, which will remain under the control of the Deed Administrators as set out in section 6 below).

The directors will control the Deed Companies during the deed period subject to the following conditions:

- (a) the directors are to preserve the assets, not encumber the assets and not dispose of any assets without first obtaining written approval from the Deed Administrators;
 - (b) the directors are not to incur any liabilities or debts without written approval from the Deed Administrators and a limitation of liability clause concerning the Deed Administrators;
 - (c) the directors will be responsible for complying with statutory obligations;
 - (d) the Deed Administrators are to have step-in rights in
-

relation to control of the Company such that the directors control can be suspended if necessary;

- (e) reversion of control be fixed for 4 months from the execution of the DOCA subject to any revision by the Deed Administrators; and
- (f) any funding obtained to preserve the assets will be provided on a non-recourse basis.

6. **Deed Administrators** Peter Krejci and Andrew Cummins (**Administrators**) will act as deed administrators (**Deed Administrators**) of each Deed Company and as trustees of the Creditors Trust (**Trustees**).

Upon execution of the DOCA:

- (a) the Deed Administrators will retain control of the Deed Companies' cash at bank and NIMS trade debtor claim; and
- (b) the role of the Deed Administrators will be to:
 - (1) take such steps as the Deed Administrators consider appropriate (at the Deed Administrators' expense) to collect the NIMS trade debt;
 - (2) monitor compliance with the DOCA;
 - (3) in their absolute discretion, report to creditors at such times as the Deed Administrators consider appropriate and on matters which the Deed Administrators consider ought to be brought to the attention of creditors; and
 - (4) exercise any other power, rights and discretions conferred upon them under the DOCA.

7. **Claims released by the DOCA** The DOCA will release all debts and claims (including secured claims but not including Excluded Claims as defined in section 10) against each Deed Company which would have been admissible to proof in accordance with Division 6 of Part 5.6 of the Corporations Act, if that Deed Company had been wound up and the winding up was taken to commence on the date of appointment of the Administrators, in return for an entitlement to receive a distribution from the Creditors Trust Fund described in section 8 (**Participating Claims**).

Excluded Claims will be unaffected by the DOCA. The Deed Companies will remain liable for any Excluded Claims in the ordinary course of business following the completion and effectuation of the DOCA.

The secured claim of the Commonwealth Bank of Australia will be released by the DOCA in consideration of the payment of the outstanding amount (to be funded out of the Subscription Amount) but will not be a Participating Claim in the Creditors Trust Fund.

The following claims will be released by the DOCA and will not be a Participating Claim in the Creditors' Trust Fund:

- (a) Richard Caldwell's employee entitlement claims for redundancy, PILN and annual leave. For the avoidance of doubt, Richard Caldwell will only agree to release these claims under the Onergy DOCA proposal and not in respect of any other DOCA proposal or in a liquidation of the Deed Companies; and
- (b) any net claim of GSL or any subsidiary of GSL against any Deed Company.

8. Creditors Trust Fund

8.1 The only assets available to satisfy the Participating Claims will be:

- (a) any cash at bank held by the Deed Administrators as at completion of the DOCA;
- (b) the NIMS trade debtor claim to the extent not converted to cash prior to completion of the DOCA; and
- (c) the Fund Amount (and any interest which accrues on the Fund Amount from completion).

All other assets will be retained by the Deed Companies following completion of the DOCA.

Despite anything else set out in this proposal, the DOCA will not effectuate until the Subscription Amount, and the assets set out in paragraphs 8.1(a), 8.1(b) and 8.1(c) of this proposal, have been received into the Creditors' Trust Fund.

8.2 The assets of the Creditors' Trust Fund will be distributed in the following order of priority:

- (a) first, to the Administrators, Deed Administrators and Trustees in satisfaction of their remuneration and costs and to meet any liabilities incurred by them in relation to which they are entitled to be indemnified under the DOCA, the Creditors Trust Deed or the Corporations Act;
- (b) next, in satisfaction of any Participating Claim that would have been entitled to be paid in priority to the payment of other unsecured claims under sections 556(1)(e), (g) or (h) of the Corporations Act the Deed Companies were taken to be in liquidation on the date the administrators were appointed;
- (c) next, pro rata to each creditor who is owed any amount in respect of a Participating Claim after the payment referred to in paragraph (b); and
- (d) next, if any funds remain, to GSL.

9. Completion steps

It is intended that completion of the DOCA will occur one business day after the date on which the Shareholder Approvals are obtained (subject to satisfaction of the other conditions precedent by that date).

At completion, the Administrators and Onergy will undertake the following:

- (a) Onergy will pay or procure the payment of the Subscription Amount (less the Fund Amount) to GSL

and the Fund Amount to the Trustees;

- (b) the Deed Administrators will issue the New Shares to Onergy and/or its nominees;
- (c) GSL will pay to the Commonwealth Bank of Australia the outstanding amount of its secured claim in consideration of the release of its secured debt and associated security interests; and
- (d) the Deed Companies and NMP will enter into amendment documents in respect of the NMP financing documents as set out in section 4, which will become operative upon the grant of security referred to below.

The DOCA will terminate on completion of the DOCA as provided for in this proposal, and in particular as set out in section 8.1 of this proposal, at which time control of the Deed Companies will revert to the directors.

As soon as practicable following completion of the DOCA the Deed Administrators must lodge a notice with ASIC certifying that the DOCA has been effectuated.

Immediately following effectuation of the DOCA, the Deed Companies will grant new all assets security to secure the NMP Convertible Note.

10. Excluded claims

Claims against the Deed Companies that will not be the subject of the DOCA (and which the Deed Companies will continue to be liable for after completion of the DOCA) will be limited to liabilities in respect of:

- (a) moneys owing to NMP including under the NMP convertible note documents;
- (b) liabilities in respect of the plant and equipment leases between St George Bank and the Deed Companies, provided that (A) St George Bank has not exercised any right to terminate the relevant lease and (B) if St George Bank has a right to terminate the relevant lease, it has waived or waives any such right or event of default or breach which occurred on or prior to the date of the DOCA or may occur during the DOCA period; and
- (c) Insured Claims (as described in section 11).

11. Insured claims

Insured Claims will be excluded from the DOCA.

An Insured Claim is a claim which a creditor has against a Deed Company and which would have been entitled to priority in a liquidation of that Deed Company under section 562 of the Corporations Act, being a claim where:

- (a) the Deed Company is insured against the claim under a contract of insurance entered into before the date of appointment of the Administrators; and
- (b) an amount in respect of that claim would be payable by the insurer to the Deed Company under the contract of insurance,

but only to the extent of such part of the claim as would be

discharged by the payment from the insurer, and provided the creditor indemnifies the Deed Company in respect of all costs and expenses incurred by the Deed Company in connection with such claim.

12. **Interim funding** Onergy will fund the Deed Companies' ongoing costs during the period from execution of the DOCA until completion of the DOCA. Any amount funded by Onergy will form part of the consideration for the issuance of the Subscription Shares upon completion of the DOCA but will not otherwise be repayable.

13. **Post-completion capital raising** Following the completion and effectuation of the DOCA, it is intended that GSL will undertake an underwritten capital raising of \$10-12 million, to be underwritten by Onergy.

This is intended to provide sufficient funds to fully fund at least one of GSL's two major projects: the Australian based glass project and/or the European based steel project.



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~~13 March 2019~~ 20 March 2019

Peter Krejci and Andrew Cummins,
Joint and Several Administrators
Greatcell Solar Limited (Administrators Appointed)
BRI Ferrier
Level 30, Australia Square
264 George Street
SYDNEY NSW 2000

By Email: jkeenan@brifnsw.com.au

Dear Sir/Madam,

GREATCELL SOLAR LIMITED (ADMINISTRATORS APPOINTED)

Please find enclosed our indicative offer (**Offer**) to restructure and recapitalise Greatcell Solar Limited (Administrators Appointed) (**the Company**) together with its subsidiaries, including Greatcell Industries Pty Ltd (Administrators Appointed) (**GSI**). We understand Peter Krejci and Andrew Cummins are the joint and several administrators for both the Company and GSI (**Administrators**).

The material terms of the Offer are as follows:

- (a) the Syndicate (described on page ~~610~~) (or nominees of the Syndicate) will provide a total of \$~~1,000,000~~ 1,350,000 cash to a creditor pool to be established for the creditors of both the Company and GSI (**GSL/GSI Creditors' Trust**) (**Creditor Payment**);
- (b) the Creditor Payment will be used in full and final satisfaction of all creditor claims (including those of a Deed Administrator) against the Company and GSI pursuant to Deeds of Company Arrangements to be entered into by the Administrators and the Company (**DOCA**) and the Administrators and GSI (**GSI DOCA**);
- (c) all secured creditors of the Company and GSI will release their security over the Company and GSI before or in conjunction with effectuation of the DOCA and the GSI DOCA respectively;

~~the Syndicate, together with the assistance of the Administrators, will work to recover contingent claims of the Company and GSI (as detailed in the Annexure) (Contingent Claims). 50% of the amount realised from the Contingent Claims (if any) net of costs will be paid into the GSL/GSI Creditors' Trust and made available to the creditors of the Company and GSI, with the Syndicate to retain the balance of funds realised.~~

If this Offer is acceptable, the Syndicate will expect the Administrators to enter into the DOCA and the GSI DOCA to facilitate the Syndicate's recapitalisation proposal. Further, we will seek an undertaking that the Administrators, the Company and GSI are exclusively dealing with the Syndicate.

Please consider the terms of our Offer at **Annexure "A"**. If you have any queries, please do not

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hesitate to contact Mr. Nicholas Young on 0400 206 986.

Regards



FALDI ISMAIL

For and on behalf of Otsana Capital and the Investment Syndicate





ANNEXURE "A" OFFER IN RELATION TO GREATCELL SOLAR LIMITED

1. TERMS OF THE RECAPITALISATION PROPOSAL

1.1 Material Terms

- (a) The Company will consolidate its existing shares (388,068,379) on a 10 for 1 basis (**Consolidation**).
- (b) The Company will retain ownership or interest in the following subsidiaries:
- (i) GSI;
 - (ii) Printed Power P/L;
 - (iii) Korea Co Ltd;
 - (iv) Greatcell Solar UK Ltd;
 - (v) Greatcell Solar Italia S.r.L; and
 - (vi) Greatcell Solar Materials P/L,
- (together, the **Required Subsidiaries**).
- (c) Subsidiaries of the Company not required by the Syndicate will be excised from the group to a Creditors Trust (at no cost to the Company or the Syndicate), as follows:
- (i) Greatcell Solar Australia P/L (**GSA**) will be liquidated and shares transferred to the Creditors Trust;
 - (ii) Greatcell Solar SA will be transferred from GSI to GSA for consideration of \$5,000, such payment to be made using funds from the Creditor Payment;
 - (iii) Greatcell Inc will be transferred from GSI to GSA for consideration of \$5,000, such payment to be made using funds from the Creditor Payment.
- (d) The Syndicate (or nominees of the Syndicate) will provide the Creditor Payment of a total \$~~1,000,000~~1,350,000 cash into the GSL/GSI Creditors' Trust for the benefit of the creditors of the Company and GSI.
- (e) The Syndicate will, subject to shareholder approval, manage capital raisings to fund the Creditor Payment and provide working capital for the Company. It is proposed that the capital raisings will be as follows:
- (i) Up to 125,000,000 (post Consolidation) shares and 125,000,000 options exercisable at 1.1c for restructuring and advisory services, at not less than \$0.00025 to raise \$31,250;
 - (ii) Up to 150,000,000 (post Consolidation) shares at not less than \$0.0067 to raise \$1,005,000; and
 - (iii) A minimum of ~~+60200~~+60200,000,000 (post Consolidation) shares and up to a maximum of 700,000,000 (post Consolidation) shares at not less than \$0.01



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to raise a minimum of \$~~1,600,000~~,000 and up to a maximum of \$7,000,000. The shares will be issued with a 1:5 listed option. 50% of the options shall have an exercise price of 2.5c with a 12 month expiry and the balance shall have an exercise price of 5c with a 2 year expiry.

- (f) It should be noted that the proposed capital structure and reconstruction (including consolidation, share/option issues and share/option prices) may be varied at the Syndicate's sole discretion, but subject to both ASX and shareholder approval (if necessary).
- (g) The Creditor Payment will be made available to the Administrators within 5 business days after the satisfaction of the conditions set out in clause 1.4 of this Offer (below).
- (h) In the event that the Creditor Payment is not made by the Syndicate in the time proposed, the Administrators or Deed Administrators are at liberty to convene, at their absolute discretion, a creditor's meeting to seek variation or termination of the DOCA and or GSI DOCA.

~~(i) the Syndicate, together with the assistance of the Administrators, will work to recover the Company's and GSI's Contingent Claims (as detailed in the Annexure). 50% of the amount realised from the Contingent Claims (if any) net of costs will be paid into the GSL/GSI Creditors' Trust and made available to the creditors of the Company and GSI, with the Company to retain the balance of funds realised;~~

~~(i)~~ the Syndicate acknowledge that the following property of the Company and GSI will be available for the purposes of the DOCA and GSI DOCA, and subsequently the GSL/GSI Creditors' Trust:

- (i) moneys in the Company & GSI bank accounts on the date of executing the DOCA and GSI DOCA;
- (ii) proceeds of the NIMS debtor owed to the Company and any BAS refunds owed to the Company and/or GSI in respect of the Voluntary Administration period;
- ~~(iii) 50% of the amount realised from the Contingent Claims (if any) net of costs; and~~
- ~~(iv) the proceeds of the realisation of the physical assets (being predominantly plant and equipment) of the Company and GSI, other than the Required Assets.~~

~~(iii)~~

~~(i)~~ The Creditor Payment will be applied in the following order of priority:

- (i) Firstly, to the Administrators, Deed Administrators and Trustees in satisfaction of their remuneration and costs and to meet any liabilities incurred by them in relation to which they are entitled to be indemnified under the DOCA, the Creditors Trust Deed or the Corporations Act, noting that certain payments may be made during the VA and DOCA period as necessary;



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- (ii) Secondly, to the secured creditors in discharge of their debts and release of security, noting that certain payments may be made during the DOCA period as necessary to obtain a release of the security;
 - (iii) Thirdly, to the Participating Priority Creditors with claims under sections 556(1)(e),(g) or (h) of the Corporations Act and any unpaid Superannuation Contributions will also be paid, though such amounts will be payable to the Australian Taxation Office
 - (iv) Fourthly, the balance of the available funds to be distributed to the Participating Unsecured Creditors on a parri passu (pro-rata) basis;
 - (v) Any surplus funds to be returned to the Company, although no surplus is anticipated.
- ~~(j)~~(k) All of the directors of the Company and the Required Subsidiaries will be removed and replaced by nominees of the Syndicate.
- ~~(m)~~(l) All secured creditors of the Company and the Required Subsidiaries releasing their respective securities over the Company and the Required Subsidiaries and their assets before or in conjunction with the effectuation of the DOCA and GSI DOCA. Funds available under the DOCA and Creditor Trusts may be used to remove security interests prior to the effectuation in accordance with the flow of funds outlined at 1.1 (i).
- ~~(n)~~(m) The Creditor Payment is offered as consideration for the control of the Company and the Required Subsidiaries and is made on the condition that on effectuation of the DOCA and the GSI DOCA, the DOCA and GSI DOCA will terminate and the GSL/GSI Creditors' Trust is established to hold the Creditor Payment and any other assets/subsidiaries for creditors and claimants of the Company and GSI. All Creditor claims are to be transferred to the Creditors Trust or extinguished on effectuation of the DOCA and GSI DOCA.
- ~~(o)~~(n) The Syndicate will advise the Administrator of the assets of the Company and GSI that it requires the Administrator to keep in good standing whilst the Company and GSI remain in administration (**Required Assets**). The Required Assets comprise of the following:
- (i) All computers, servers, routers, accounting software, engineering design software and all other software used in the running of the Company and GSI, to the extent available and owned by the Company and/or GSI, and not subject to licence arrangements;
 - (ii) Paper and electronic records;
 - (iii) Patents and licences, including the EPFL license; and
 - (iv) The attached schedule of P+E.
- ~~(p)~~(o) The Administrator and the Syndicate will agree on a budget for funds required to maintain the Required Assets in good standing, and (subject to prior approval by the Syndicate), the Syndicate will fund such costs. Costs up to \$50,000 shall be

deducted from the Creditor Payment. Costs in excess of \$50,000 shall be reimbursed from the Company to the Syndicate and shall not be deducted from the Creditor Payment.

- ~~(q)~~(p) The Required Assets will not include plant and equipment (other than those specified in the attached schedule). Further, the Syndicate will not maintain the Company and GSI business premises during the DOCA period nor be responsible for the Commercial Leases (defined below) or any makegood claims.
- ~~(r)~~(q) New Moonie is a significant creditor of both GSI and GSA and has registered security interests over GSI on the PPSR. The Syndicate's proposal is conditional on New Moonie releasing its security over GSI on effectuation of the GSI DOCA. It is proposed that New Moonie will be requested to remove its security prior to effectuation of the DOCA in consideration for up to \$40,000, such funds to come out of the Creditor Payment. If New Moonie does not agree to remove its security, the Administrator will take Court action to have the security removed, the costs of which will come out of the Creditor Payment
- ~~(s)~~(r) Upon entering into the DOCA, the Company will adopt the provisions and regulations as set out in Schedule 8A of the Corporations Act 2001 and confirm that creditor claims are to be adjudicated as if the Companies were in Liquidation.
- ~~(t)~~(s) The Syndicate anticipates the DOCA and the GSI DOCA being effectuated within 4 months from execution of the DOCA and the GSI DOCA.
- ~~(u)~~(t) The Administrators will become the Deed Administrators of the DOCA and GSI DOCA, and Trustee of the GSL/GSI Creditors' Trust, upon execution of those documents. Control of the Company and GSI will remain with the Deed Administrators during the DOCA and GSI DOCA period, and will pass to newly appointed Directors immediately prior to effectuation of the respective DOCAs (such appointments to be subject to shareholder approval).
- ~~(v)~~(u) The Syndicate acknowledges that creditor claims are to be adjudicated adopting the Corporations Act, as if the Company and GSI are in liquidation, and will be extinguished on effectuation of the DOCA and GSI DOCA.
- ~~(w)~~(v) The Syndicate acknowledges that the Administrator and Deed Administrators indemnities survive effectuation of the DOCA and GSI DOCA.
- ~~(x)~~(w) This proposal excludes insured claims.
- ~~(y)~~(x) The Syndicate acknowledge that the Deed Administrators will take steps to notify the lessors of the commercial premises occupied by GSL, GSA and GSI that the Syndicate does not intend to maintain the commercial leases at 3 Dominion Place Queanbeyan NSW and 11 Aurora Avenue, Queanbeyan NSW (**Commercial Leases**). The Syndicate will facilitate and pay costs for the Administrators to arrange for the removal of the Required Assets and records from the Commercial Leases, and their relocation to suitable premise/s before the end of the Administration period or within 15 business days of the Creditors Meeting. The Syndicate will meet the ongoing holding and preservation costs for the storage of the Required Assets and records for the duration of the DOCA period.



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1.2 Proposed Capital Structure

	No. of Shares (min. raise)	No. of shares (max. raise)
Existing Shareholders (after consolidation)	38,806,838	38,806,838
Interim Placement	150,000,000	150,000,000
Promoter Placement	125,000,000	125,000,000
General Placement	160,200,000,000	700,000,000
Total Shares	473,513,806,838	1,013,806,838

1.3 Cash Allocation

	Minimum raise	Maximum raise
Interim Placement	\$1,005,000	\$1,005,000
Promoter Placement	\$31,250	\$31,250
General Placement	\$1,600,000 2,000,000	\$7,000,000
Less Cash to Creditors	(\$1,000,000) 1,350,000	(\$1,000,000)
Less Reconstruction Cost	(\$400,000)	(\$400,000)
Less Broker Cost (all raisings)	(\$156,300) 180,300	(\$480,300)
Total Cash at DOCA effectuation (approx.)	\$1,079,950 1,105,950	\$6,155,950

1.4 Conditions

This Offer under the Recapitalisation Proposal is subject to the following general conditions:

- (a) all liabilities and long-term commitments of the Company and GSI as at settlement of the Recapitalisation Proposal being released and compromised via the DOCA and GSI DOCA which reflects the terms of this Offer. It shall be a term of the DOCA and the GSI DOCA that they are wholly effectuated and the appointment of the Administrators terminated contemporaneously with the payment by the Company of the Creditor Payment to the Trustee of the GSL/GSI Creditors' Trust;
- (b) all creditors will be required to formally prove debts against the Trustee of the GSL/GSI Creditors' Trust as if they were the Company (or GSI) and payments to creditors shall be made in accordance with the DOCA (or GSI DOCA) and the Creditors' Trust Deed, which shall reflect the priority set out in the Annexure;
- (c) ASX confirms that on completion of the Recapitalisation Proposal, it will reinstate the Company's securities to trading on ASX without the need for the Company to re-comply with Chapters 1 & 2 of the Listing Rules, and if such confirmation is subject to conditions, those conditions being acceptable to the Syndicate (acting reasonably);
- (d) The Syndicate will undertake its own due diligence to ensure that upon effectuation of the DOCA, the Company's UK and Italian subsidiaries, being Greatcell Solar UK Ltd and Greatcell Solar Italia S.r.L, shall have clean balance sheets with no significant debts incurred or outstanding;
- (e) all employees of the Company and GSI being terminated at the direction of the Company (and at no cost to the Company), following termination of the DOCA and GSI DOCA;



- (f) the Recapitalisation Proposal and the information memorandum to be sent to creditors and shareholders respectively shall specify that if the creditors and the shareholders do not approve the Recapitalisation Proposal respectively, then the Administrator or the Deed Administrator, as the case may be, shall, in the absence of a superior proposal, have no other option but to recommend to the creditors that the Company be placed immediately into liquidation;
- (g) all ASX fees incurred prior to and following the appointment of the Administrators are to be paid in full from the Creditor Payment. Fees that are paid in advance shall be pro-rated at effectuation of the DOCA;
- (h) the receipt of shareholder approval with respect to the terms of the Recapitalisation Proposal (including, without limitation, the Consolidation and the capital raisings);
- (i) the de-registration and removal of all security interests over the Company and GSI (including, without limitation, the security held by New Moonie over GSI), their subsidiaries and their assets before or in conjunction with the payment of the Creditor Payment; and
- (j) the Administrators and/or Deed Administrators fees and expenses may be drawn from the Creditor Payment, in accordance with the priorities specified at 1.1 (i).

1.5 Costs

The Syndicate will:

- (a) prepare first drafts of the DOCA, the GSI DOCA and the GSL/GSI Creditors' Trust Deed;
- (b) prepare the required shareholder meeting materials and will submit these materials to ASX, the ASIC and the Administrators for approval prior to issuing to the shareholders of the Company;
- (c) prepare and audit the outstanding statutory accounts; and
- (d) bear its own costs in relation to the preparation of the above documents which amounts shall be reimbursed by the Company in the event that the proposals are approved and the Company is reinstated to trading on the ASX.

If the Administrator and/or Deed Administrator incurs costs in reviewing the above meeting materials, those costs shall be borne by the Administrator and/or Deed Administrator. The Syndicate estimates that the costs of the matters to be undertaken in relation to convening the shareholder meeting including the materials being printed, mailed, potentially audited and the incurring of legal costs could be up to approximately \$100,000, which the Syndicate agrees to bear.

1.6 Additional Matters

The Syndicate confirms that:



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- (a) no additional internal approvals are required in order to proceed to a binding offer; and
- (b) funding for the acquisition will be sourced from members of the Syndicate as well as third parties (no issues or delays are envisaged in relation to funding the proposal).
- (c) the Syndicate has secured indicative commitments for the quantum of the Creditor Payment from clients of Otsana.

About the syndicate

The Syndicate comprises Gavin and Sylvia Tulloch (founders of the Company), Tom Fontaine, Peter Richards, Pitcher Partners Perth and Otsana Capital.

Otsana Capital

Otsana Capital is a private boutique corporate advisory firm with a specific emphasis in the restructure and recapitalisation of ASX-listed companies.

Otsana Capital has specialist skills in mergers and acquisitions, capital raisings and has many years of investment banking experience covering a wide range of sectors.

Otsana Capital has been involved in the recapitalisation, identification, facilitation and implementation of numerous acquisitions into a number of ASX listed companies.

Otsana Capital has more recently successfully recapitalised the following Companies:

- Jadar Lithium Ltd, ASX Code "JDR"
- Raiden Resources Ltd, ASX Code "RDN"
- Calidus Resources Ltd, ASX Code "CAI"
- Dotz Nano Ltd, ASX Code "DTZ"
- Navigator Resources Ltd, ASX Code "NAV"
- Ookami Ltd, ASX Code "OOK"
- Flamingo Ltd, ASX Code "FGO"
- Zenitas Health Ltd, ASX Code "ZNT"
- Prescient Therapeutics Ltd, ASX Code "PTX"
- Actinogen Ltd, ASX Code "ACW"
- Mareterram Limited, ASX Code "MTM"
- Kogi Iron Limited, ASX Code "KFE" (formerly Brainytoys Ltd)
- Kangaroo Resources Limited, ASX Code "KRL" (formerly Kangaroo Metals Ltd)
- Coventry Resources Limited, ASX Code "CVY" (formerly Mobilesoft Ltd)
- Pan Asia Corporation Limited, ASX Code "PZC" (formerly Sam's Seafood Holdings Ltd)
- NSL Consolidated Limited, ASX Code "NSL" (formerly NSL Health Ltd)
- Environmental Clean Technologies Limited, ASX Code "ESI"

More details on our past transactions can be found at www.otsana.com