

ASX Announcement | 21 December 2020
Hexagon Energy Materials Limited (ASX: HXG)

Hexagon announces intention to acquire Ebony Energy and completes \$500,000 placement

Investment Highlights

- Hexagon has agreed terms under which it seeks to acquire 100% of Australian public, unlisted hydrogen company Ebony Energy Limited in an all scrip offer.
- Ebony Energy is focused on developing its Pedirka Project in the Northern Territory.
- Strong in-principle support for the Ebony Energy acquisition received from Ebony Energy Limited's board of directors, who will recommend the acquisition¹.
- Ebony's investors and convertible note creditors will represent 23.24% of the post merged entity on current share numbers.
- Acquisition of the Pedirka Project is consistent with Hexagon's strategy to become a diversified minerals explorer with a focus on clean energy opportunities.
- The Pedirka Project plans to utilise a surface gasification plant to produce 'blue' hydrogen for export and domestic markets from the project with 'clean' zero carbon emissions.
- Research firm Markets & Markets estimates that the hydrogen market will expand from US\$135.5bn in 2018 to US\$199bn by 2023, with the highest compound annual growth rate in China, Japan, and Korea².
- Hexagon successfully completes \$500,000 placement to sophisticated and professional investors.

Perth, 21 December 2020: Australian energy materials company Hexagon Energy Materials Limited (ASX: HXG) (**Hexagon** or the **Company**) is pleased to announce that it has agreed terms on which to make an off-market takeover bid to acquire all of the issued capital in unlisted company Ebony Energy Limited (**Ebony Energy** or **Ebony**) (**Takeover Offer**).

The Takeover Offer involves Hexagon issuing 1 Hexagon share for every 1.32 Ebony Energy share. Following completion of the Offer and subsequent exchanges with Ebony option holders and convertible note creditors, Ebony Energy investors and those creditors will ultimately hold 23.24% of the merged entity share capital base.

As the Takeover Offer will result in a change of activities for the Company, the Company is required to seek Hexagon shareholder approval pursuant to ASX Listing Rule 11.1.2 (**Shareholder Approval**). ASX has confirmed that ASX Listing Rule 11.1.3 does not apply to the Takeover Offer.

¹ Subject to no superior proposal being announced.

² Source: <https://www.marketsandmarkets.com/PressReleases/hydrogen.asp>

NT blue hydrogen project

A successful takeover will provide the Company exposure to Ebony Energy's sole asset, being the Pedirka Project in the Northern Territory.

It is proposed that the Pedirka Project will host a surface gasification plant to produce blue hydrogen for export or domestic markets from coal feedstocks with 'clean' zero carbon emissions.

Ebony has undertaken a study to analyse a surface gasification plant and hydrogen converter to produce 'clean' zero-emission 'blue' hydrogen.

The next stage for Ebony is to undertake a major drilling program to establish a JORC compliant resource to underpin a prefeasibility study (PFS) to advance the Pedirka Project.

Upon the completion of a positive PFS, it is expected that a full partnership with a gasification group would be entered into to progress an 'off-take' arrangement.

Hexagon is of the view that the Pedirka Project is consistent with its strategy to become a diversified minerals explorer with a focus on clean energy opportunities and therefore presents a unique opportunity to expand Hexagon's asset portfolio and fully exploit the Company's expertise for the benefit of its shareholders.

A rapidly developing market

Hydrogen is an environmentally-friendly and cost-effective source of energy for a world which must balance the ever-growing need for energy with preservation of the environment.

Hexagon believes that the large-scale adoption of hydrogen as a fuel source will provide a significant means of reducing global carbon output, especially given that de-carbonisation will require much more than just the substitution of thermal coal.

In addition to being clean, hydrogen is a versatile energy source with applications across the transport, electricity, industrial, and heating sectors.

While there is a growing domestic demand for hydrogen in Australia, the strong demand is coming from Asia-Pacific. As well as the growing demand for hydrogen as a fuel, there is significant demand for hydrogen as a chemical in the Southeast Asia region.

Research firm Markets & Markets estimates that the hydrogen market will expand from US\$135.5bn in 2018 to US\$199bn by 2023, with the highest Compound Annual Growth Rate in China, Japan, and Korea.³

³ Source: <https://www.marketsandmarkets.com/PressReleases/hydrogen.asp>

Transaction overview

The Company has agreed to:

1. offer to buy 100% of the issued shares of Ebony Energy (**Ebony Shares**) by issuing 1 Hexagon share for each 1.32 Ebony Shares currently on issue;
2. issue Hexagon shares at an implied price of 6 cents per share for Ebony Shares issued to satisfy outstanding convertible notes at face value; and
3. issue Hexagon shares in exchange for Ebony Shares issued upon exercise of eligible Ebony Energy options (or as consideration for cancellation of those options). Ebony options have been valued on a Black Scholes basis and Hexagon shares will be issued at an implied issue price of 6 cents per share;

The above Offer and exchange will result in Ebony Energy investors and convertible note creditors in total holding (if 100% acceptance and conversion is completed) 23.24% of the merged entity.

The Takeover Offer is subject to a number of conditions which are attached to this announcement.

Further details and information on the Takeover Offer will be contained in Hexagon's Bidder's Statement, which is expected to be lodged in January 2021.

The Bidder's Statement will set out important information, including how to accept the Takeover Offer, information about Hexagon, and the key reasons as to why Ebony Energy Shareholders should accept the Takeover Offer.

Takeover Offer rationale

The Company believes that the Takeover Offer will provide the Company with:

- ability to continue its strategy to become a diversified minerals explorer with a focus on clean energy opportunities;
- provide exposure to the rapidly developing hydrogen market; and
- a greater profile in capital markets due to its larger market capitalisation and greater scale and diversity of the Company's operations, widening the range of potential investors for the Company and providing a greater ability to source equity funding on more favourable terms.

Proposed capital structure

The anticipated capital structure of the Company post completion of the Takeover Offer, assuming 100% acceptance is set out below.

	Shares
Current ⁴	292,433,397
Issues under Takeover Offer	77,037,758
Sub-total on issue immediately upon completion of Takeover Offer	369,471,155
Issues to Ebony convertible note creditors	11,462,550 ⁵
Issues to Ebony option holders	39,721

⁴ Not including Hexagon shares to be issued under the placement as described below.

⁵ an entity associated with Hexagon's Chairman Charles Whitfield, will be entitled to receive a total of 875,000 Hexagon shares in exchange for converted Ebony shares converted from convertible notes held by that entity subject to the bid conditions.

	Shares
TOTAL	380,973,426

Leadership changes

As part of the transaction Hexagon’s management team will be expanded by the appointment of Mr Adam Bacon, currently Managing Director of Ebony, who will join Hexagon’s Chief Commercial Officer, Ms Lianne Grove, to undertake executive management duties and deliver the key milestones for the Pedirka Hydrogen Project. Chairman, Mr Charles Whitfield will continue to consult to Hexagon.

Proposed Timetable

Indicative Date	Action
21 December 2020	Hexagon and Ebony announce Proposed Transaction to ASX.
Early January 2021	Despatch Notice of Meeting to Hexagon shareholders
Mid-January 2021	Lodgement of bidder statement and target statement with ASIC and ASX and serve on the respective other party.
Mid-January 2021	Despatch of the Hexagon’s bidder’s statement to Ebony shareholders and opening of the Takeover Offer.
Early February 2021 (or such later date as the parties may agree, acting reasonably).	Hexagon shareholder meeting.
Late February 2021	Close of the Takeover Offer (unless extended)
Mid to late January 2022 (latest date possible).	Last day to close the Takeover Offer

The above dates are indicative only and may change without notice. The Company reserves the right to extend the dates without prior notice.

Next steps

As mentioned above, Hexagon is required to seek shareholder approval for the Takeover Offer and is preparing a Notice of Meeting to address this. The Notice of Meeting will be sent out and the Extraordinary General Meeting of Hexagon Shareholders held as soon as reasonably possible.

Hexagon Chairman Charles Whitfield said: “We are very pleased to have entered into this agreement to acquire Ebony Energy. This transaction perfectly aligns with our goal of progressing value-added businesses that are consistent with our strategy, skill set and focus on clean energy. We have formed a very good understanding of the next steps required for Ebony Energy to complete a major resource focused drilling program and pre-feasibility study. We look forward to the Extraordinary General Meeting so that we can receive approval from our shareholders and proceed with this acquisition.”

Ebony Energy Chairman Stephen Gerlach said: “The combination with Hexagon provides Ebony Energy shareholders with a perfect platform to progress the Pedirka project. We believe this is a great fit with Hexagon’s expertise and clean energy ambitions. We are confident that the project’s upcoming drilling program and pre-feasibility study will yield excellent results and provide clear direction of the best way forward to become a substantial, zero-emission hydrogen producer.”

Placement

The Company has received firm commitments from sophisticated and professional investors to raise \$0.5m through the issue of 8,771,930 new fully paid shares at 5.7 cents a share, a 10% discount to the 10-day Volume Weighted Average Price (VWAP) of shares trading on ASX for the period ending 16 December 2020.

EverBlu Capital Pty Ltd acted as Lead Manager to the Placement and will be paid a fee of 6% as well as issued 4,000,000 unlisted options exercisable at \$0.10 within 24 months from issue date. The placement shares and broker options will be issued under the Company’s placement capacity under Listing Rule 7.1.

The Company expects to issue the shares and options on Wednesday 23 December 2020.

Hexagon will use the additional capital to meet the transaction costs of its acquisition of Ebony Energy (\$0.3m) as well as for general working capital and corporate purposes (\$0.2m).

Ends

This announcement has been authorised by Board of Directors of Hexagon and the Board of Directors of Ebony Energy.

About Hexagon Energy Materials Limited

Hexagon Energy Materials Limited (ASX:HXG) is an Australian company focused on resources, energy materials, and clean energy. Hexagon is currently exploring at its two wholly-owned assets in Western Australia, the Halls Creek Gold and Base Metals Project and the McIntosh Graphite, Nickle and PGE’s Project.

Hexagon is also actively seeking ways to progress value-added businesses that are consistent with its strategy, skill set, and focus on clean energy. The company is currently assessing new opportunities in the space while continuing to develop its highly prospective exploration assets.

To learn more, please visit www.hxgenergymaterials.com.au

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CONDITIONS TO THE TAKEOVER OFFER

1. DEFINITIONS

In this Schedule, terms have the meaning given to them within this document and, in addition, the following terms have the following meanings:

Announcement Date	The date of release of this announcement.
ASIC	Australian Securities and Investments Commission.
ASX Listing Rules	The listing rules of the ASX.
Authorisation	Any consent, authorisation, registration, filing, lodgement, notification, agreement, certificate, commission, lease, licence, permit, approval or exemption from, by or with a Government Agency required to undertake activities in connection with any Tenement.
Bidder's Statement	means the statement of Hexagon under Part 6.5 Division 2 of the Corporations Act relating to the Bid Offer.
Bid	A takeover bid under Chapters 6 to 6C of the Corporations Act under which the Company offers to acquire all Ebony Shares.
Bid Offer	Each offer to acquire all Ebony Shares on issue during the Bid Offer Period to be made by Hexagon to each Ebony Shareholder under the Bid on the terms and conditions set out below and to be contained in the Bidder's Statement.
Bid Offer Period	The period during which the Bid Offer is open for acceptance.
Ebony Convertible	An option or some other form of instrument (for instance performance right or share) permitting the holder to subscribe for an Ebony Share.
Ebony Group	Ebony and each of its subsidiaries.
Ebony Share	A fully paid ordinary share in Ebony.
Ebony Shareholders	A holder of an Ebony Share.
Government Agency	A government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity whether foreign, federal, state, territorial or local in Australia, including (without limitation) any self-regulatory organisation established under a statute, any stock exchange or otherwise discharging substantially public or regulatory functions, and in particular, ASX, ASIC and the Takeovers Panel.
Hexagon Resolutions	Any resolution required to effect the Bid in accordance with the ASX Listing Rules, including the resolution set out in a notice of meeting of Hexagon shareholders to consider and (if thought fit) approve the change to the nature and/or scale of Hexagon's activities as a result of the Bid, for the purposes of ASX Listing Rule 11.1.2.

Hexagon Share	A fully paid ordinary share in Hexagon.
Hexagon Shareholder	A holder of one or more Hexagon Shares.
Outstanding Ebony Liabilities	Ebony's outstanding convertible notes identified by the Ebony directors and initialled for identification purposes by Hexagon and Ebony and as amended from time to time with the consent of Ebony, acting reasonably.
Related Person	In relation to a party: <ul style="list-style-type: none">(a) a director, officer, employee, consultant (or similar) of that party;(b) a related body corporate and any a director, officer, employee, consultant (or similar) of that related body corporate;(c) its advisers or an adviser of a related body corporate; or a director, officer or employee of any entity referred to in (b) or (c).
Relevant Interest	As defined in sections 608 and 609 of the Corporations Act.
Security Interest	The meaning given in section 51A of the Corporations Act.
Tenement	Any member of the Ebony Group's interest (including as holder, owner, operator or joint venturer) in a mining tenement, lease, licence, permit or similar and includes any extension, renewal, modification, replacement or substitution of the whole or any part thereof, including the Pedirka Project.

2. MINIMUM ACCEPTANCE

At the end of the Bid Offer Period, Hexagon has a Relevant Interest in at least 50.1% of Ebony Shares then on issue.

3. HEXAGON SHAREHOLDER APPROVAL

Hexagon Shareholders approve the Hexagon Resolutions, in accordance with the Corporations Act and ASX Listing Rules, before the end of the Bid Offer Period.

4. REGULATORY APPROVALS AND CONSENTS

Before the end of the Bid Offer Period, all approvals or consents that are required by law or by any Government Agency, as are necessary to permit:

- (a) the Bid Offers to be lawfully made to and accepted by the Ebony Shareholders;
- (b) the transactions contemplated by the Bidder's Statement to be completed; and
- (c) Ebony to be in material compliance with each of its and its subsidiaries' contracts, permits, licences and other agreements,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

5. NO REGULATORY ACTION

Between the Announcement Date and the end of the Bid Offer Period (each inclusive):

- (a) there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;
- (b) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (c) no application is made to any Government Agency (other than by Hexagon or any associate of Hexagon),

in consequence of or in connection with the Bid Offers (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Bid Offers and the completion of any transaction contemplated by the Bidder's Statement or which requires the divestiture by Hexagon of any Ebony Shares or any material assets of Ebony or any Subsidiary of Ebony (including any Tenement).

6. NO PERSONS EXERCISING RIGHTS UNDER CERTAIN AGREEMENTS OR INSTRUMENTS

Between the Announcement Date and the end of the Bid Offer Period, no person exercises any rights under any provision of any agreement or other instrument to which a member of Ebony Group is a party, or by or to which a member of Ebony Group or any of its assets (including any Tenement) may be bound or be subject to which:

- (a) requires monies borrowed by, or other financial accommodation provided to, a member of Ebony Group to be paid or repaid immediately or earlier than the repayment or maturity date stated in such agreement or other instrument other than in relation to the Ebony convertible notes whereby they are satisfied upon conversion;
- (b) terminates or modify any such agreement or instrument or require that any action be taken thereunder (including the acceleration of the performance of any obligation thereunder);
- (c) terminates or modify the interest of a member of Ebony Group in any farm-in, farm-out, partnership, joint venture, trust, corporation or other entity (or any arrangements relating to such interest); or
- (d) requires that any assets (including any Tenement), shares or business of a member of Ebony Group be sold, transferred or offered for sale or transfer, including under any pre-emptive rights or similar provisions, as a result of the acquisition of Ebony Shares by Hexagon.

7. NO CHANGE OF CONTROL RIGHTS

Between the Announcement Date and the end of the Bid Offer Period, no person has or will have any right as a result of Hexagon making the Bid or announcing its intention to make the Bid, or acquiring Ebony Shares under the Bid, to:

- (a) acquire, or require the disposal of, or require any entity within Ebony Group to offer to dispose of, any Tenement, assets, shares or business (or any interest in) of any entity within Ebony Group;
- (b) terminate, or vary the terms of performance of, any agreement with any entity within Ebony Group; or
- (c) terminate, or vary the terms of any material approvals, licenses or permits issued by any Government Agency to any entity within Ebony Group.

8. NO MATERIAL DISPOSALS, CANCELLATIONS OR NEW COMMITMENTS

None of the following events occur between the Announcement Date and the end of the Bid Offer Period:

- (a) Ebony or any of its subsidiaries disposes of, offers to dispose of or agrees to dispose of one or more companies, businesses, Tenements or assets (or any interest in one or more companies, businesses, Tenements or assets) relating in any way to the Pedirka Project;
- (b) a member of the Ebony Group enters into or agrees to enter into any purchase, sale, farm-in, farm-out, joint venture, mineral rights or partnership (or series of agreements) that requires or is reasonably likely to involve payments, expenditure or the foregoing of revenue, by a member of the Ebony Group in excess of A\$150,000 in aggregate with other such matters arising after the Announcement Date; or
- (c) a Tenement granted to or held by any member of Ebony Group is revoked, surrendered, relinquished or terminated or a member of Ebony Group agrees to the same without there being a reasonable likelihood of such tenement, permit or licence being allowed to continue, renewed or extended on terms which are no less favourable to the member of Ebony Group.

9. NO MATERIAL ADVERSE CHANGE

Between the Announcement Date and the end of the Bid Offer Period (each inclusive) none of the following occurs:

- (a) an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;
- (b) information is disclosed or announced by Ebony concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur; or
- (c) information concerning any event, change, condition, matter or thing that has occurred or is reasonably likely to occur becomes known to Hexagon (whether or not becoming public),

(each of (a), (b) and (c) a **Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have:

- (d) a material adverse effect on the business, assets (including the Tenements), liabilities, financial or trading position, profitability or prospects of Ebony or its subsidiaries taken as a whole; or
- (e) without limiting the generality of Bid Condition 9(d), the effect of a diminution in the value of the consolidated net assets of the Ebony Group, taken as a whole, by at least A\$250,000 against what it would reasonably have been expected to have been but for such Specified Event,

other than:

- (f) an event, matter, change or circumstance caused, or materially contributed to, by Hexagon;
- (g) anything required or permitted to be done or not done under this document or otherwise required to be done in connection with the legal obligations for the implementation of the Bid;
- (h) any event, matter, change or circumstance:
 - (i) fairly disclosed by Ebony to Hexagon or any Related Person of Hexagon;
 - (ii) disclosed in public filings by Ebony to ASIC; or
 - (iii) otherwise known by Hexagon or any Related Person of Hexagon,at any time prior to the date of this document provided that the event, matter, change or circumstances (as the case may be) continues to be, in all material respects, as disclosed or otherwise known to Hexagon at that time;
- (i) an event, matter, change or circumstance in or relating to:

- (i) economic, business, regulatory or political conditions in general;
- (ii) credit, financial or currency markets in general, or the state of securities markets in general (including any reduction in market indices);
- (iii) any change affecting the industry in which Ebony operates generally;
- (j) the portion of any event, matter, change or circumstances which is as a consequence of losses, expenses, damages or other costs covered by insurance which Ebony's insurers have agreed to pay; or
- (k) anything done with the prior written consent of Hexagon.

10. CONDUCT OF BUSINESS

Between the Announcement Date and the end of the Bid Offer Period (each inclusive), neither Ebony nor any of its subsidiaries:

- (a) makes any changes to its constitution or passes any special resolution or amends the terms of issue of any shares, options, performance rights or other convertible securities;
- (b) borrows or agrees to borrow any money (except to cover expenses associated with the Bid), including incurring trade credit or other payables, or as otherwise agreed to in writing by both parties;
- (c) provides a guarantee or indemnity or both to a third party (not being Hexagon or one of its subsidiaries);
- (d) other than to the extent included in the does any of the following:
 - (i) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or employee;
 - (ii) makes or agrees to make any substantial change in the basis or amount of remuneration of any director, employee or consultant;
 - (iii) except as provided under any superannuation, provident or retirement scheme or contract in effect on the Announcement Date, pays or agrees to pay any retirement benefit or allowance to any director or employee;
 - (iv) make or agree to make any payments to any third party (either alone or in aggregate) that is above A\$50,000, including to any employee, director or consultant to Ebony that is contingent on the Bid Offer or the outcome of the Bid Offer (or a similar transaction); and
 - (v) amends or agrees to amend in any material respect any arrangement with its advisers, or enter into arrangements with any new advisers, in respect of the Bid Offer or a similar transaction;
- (e) other than to the extent included in the or as otherwise agreed to in writing by both parties, acquires, offers to acquire, agrees to acquire or acquires any one or more businesses, assets, entities or undertakings valued at, or involving a financial commitment of more than A\$50,000 (individually or when aggregated with all other such matters arising after the Announcement Date), or makes an announcement or enters into an agreement in relation to such an acquisition, undertaking or financial commitment; or
- (f) incurs or commits to incur an amount of capital expenditure in excess of A\$50,000 (either alone or in aggregate) other than as otherwise agreed to in writing by both parties.

11. TENEMENTS

Between the Announcement Date and the end of the Bid Offer Period (each inclusive), otherwise than in the ordinary course of business, neither Ebony nor any of its subsidiaries:

- (a) enters into, agrees to enter into or announces any agreement to enter into any contract, commitment or arrangement (including without limitation any ore sale, ore processing, split commodity, joint venture, partnership, farm-in, royalty, marketing or off-take agreement) in relation to any of the Tenements;
- (b) relinquishes, sells or disposes of any interest or creates any Security Interest over any of the Tenements;
- (c) takes any action or omits to take any action that results in or may reasonably be expected to result in a disposal of, or a breach of the terms of any of the Authorisations in connection with any Tenement; or
- (d) takes any action or omits to take any action that results in or may reasonably be expected to result in the surrender of any of the Tenements or any Authorisation relating to any Tenements,

including announcing an intention to do any of the above matters.

12. LITIGATION

Between the Announcement Date and the end of the Bid Offer Period (each inclusive) no litigation against Ebony which may impact on the Pedirka Project or reasonably result in a judgment of A\$100,000 or more is commenced, is threatened to be commenced, is announced, or is made known to Hexagon (whether or not becoming public) or Ebony regardless of whether the subject of prior resolution or otherwise.

13. EQUAL ACCESS

Between the Announcement Date and the end of the Bid Offer Period, Ebony promptly, and in any event within two Business Days, provides to Hexagon (unless it has previously provided such information to Hexagon) a copy of all information that is not generally available (within the meaning of the Corporations Act) relating to the Ebony Group, or their respective Tenements, assets, liabilities or operations, that has been provided by Ebony or any of its directors, officers, agents or representatives to any third party other than in the ordinary course of ordinary business, for the purposes of soliciting, encouraging or facilitating any proposal with respect to:

- (a) a takeover bid for, or scheme of arrangement proposed by, Ebony, under the Corporations Act;
- (b) the acquisition by a third party or an associate (within the meaning in section 12(2) of the Corporations Act) of any interest (including directly or indirectly by way of farm-in, farm-out, joint venture, partnership or similar) in either the Pedirka Project or any of the assets (including Tenements) and operations of Ebony or any of its Subsidiaries; or
- (c) any transaction having a similar economic effect.

14. FULL AND FINAL SATISFACTION OF OUTSTANDING EBONY LIABILITIES

Between the Announcement Date and the end of the Bid Offer Period, Ebony promptly settles its Outstanding Ebony Liabilities for full and final satisfaction of those liabilities.

15. NO PRESCRIBED OCCURRENCES

Between the Announcement Date and the date three business days after the end of the Bid Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:

- (a) Ebony converting all or any of Ebony Shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (b) Ebony or a subsidiary of Ebony resolving to reduce its share capital in any way;

- (c) Ebony or a subsidiary of Ebony entering into a buyback agreement or resolving to approve the terms of a buyback agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) Ebony or a subsidiary of Ebony making an issue of Ebony Shares (other than the conversion of other Outstanding Ebony Liabilities in accordance with full and final satisfaction of the Outstanding Ebony Liabilities) or granting an option over the Ebony Shares or agreeing to make such an issue or grant such an option;
- (e) Ebony or a subsidiary of Ebony issuing, or agreeing to issue, convertible notes (including any issue or grant of any Ebony Convertible);
- (f) Ebony or a subsidiary of Ebony disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) Ebony or a subsidiary of Ebony granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- (h) Ebony or a subsidiary of Ebony resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator of Ebony or of a subsidiary of Ebony;
- (j) the making of an order by a court for the winding up of Ebony or of a subsidiary of Ebony;
- (k) an administrator of Ebony or of a subsidiary of Ebony being appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Ebony or a Subsidiary of Ebony executing a deed of company arrangement; or
- (m) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Ebony or of a subsidiary of Ebony.

16. NO DISTRIBUTIONS

Between the Announcement Date and the end of the Bid Offer Period (each inclusive), Ebony does not announce, make, declare or pay any distribution to the Ebony Shareholders (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

17. ESCROW CONDITION

Ebony Shareholders with a holding of more than 5% of all Ebony Shares agree to an escrow arrangement with respect to the Hexagon shares for a period of 12 months.