

# Vet Biotechnology

**Vet Biotechnology Ltd** (ACN 105 577 017)

## **NSX COMPANY ANNOUNCEMENT**

**NSX codes VBL, VBLO**

June 14 2005 at 17:15 EST.

### **Vet Biotechnology Ltd announces possible Backdoor Listing on the Australian Stock Exchange Ltd (ASX).**

The Directors of Vet Biotechnology Ltd are desirous to list on the ASX and subsequent to that the Company has today received a Terms Sheet, outlining a proposal (attached to this announcement), for a backdoor listing through a company called Plantcorp Ltd.

Under the terms of the Terms Sheet Plantcorp Ltd will offer to acquire all of the issued Vet Biotechnology Ltd shares for a consideration of 3.5 Plantcorp Ltd shares for every 1 Vet Biotechnology Ltd share. Plantcorp Ltd will also offer to acquire all of the issued Vet Biotechnology Ltd options for a consideration of 3 Plantcorp Ltd options for every 2 Vet Biotechnology Ltd options. A condition of the offer is the agreement by Plantcorp Ltd shareholders to approve a number of resolutions as per the attached terms sheet.

In addition, the offer will be conditional upon Plantcorp Ltd acquiring at least 90% of the Vet Biotechnology Ltd shares, becoming able to proceed to compulsory acquisition of the remainder of the shares under the Corporations Act, as well as acquiring at least 50% of the Vet Biotechnology Ltd options.

To enable an ASX listing, the merged group to be known as Vet Biotechnology Ltd, will raise AUD\$3.25 million by an issue of shares with a free attaching option pursuant to a Prospectus.

Upon successful completion of the capital raising and admission to the ASX the merged group will be called Vet Biotechnology Ltd. The existing Vet Biotechnology Ltd officers will become the Board of the merged group.

Vet Biotechnology Ltd's NSX listing was underwritten by Sydney based Martin Place Securities. Martin Place Securities, Level 3, 14 Martin Place, Sydney NSW 2000, telephone (612) 9222 9111.

For further information, contact:

Hugo Le Messurier General Manager Vet Biotechnology Tel.: 08 8363 1159 Mobile: 0407 977 553	<b>Vet Biotechnology Ltd</b> ACN 105 577 017 Suite 7, 114 Rundle Street Kent Town South Australia 5067 Telephone: 61 8 8363 1159 Facsimile: 61 8 8362 2598 Web page: <a href="http://www.vetbiotechnology.com.au">www.vetbiotechnology.com.au</a>
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**PLANTCORP LIMITED**  
ACN 009 347 406  
Level 13 Forrest Centre  
221 St George's Terrace  
PERTH WA 6000

RECEIVED

14 JUN 2005

10 June 2005

**By e-mail:** [whisecurities@firstavenue.com.au](mailto:whisecurities@firstavenue.com.au)

The Chairman  
Vet Biotechnology Ltd  
Suite 7  
114 Rundle Street  
KENT TOWN SA 5067

Attention: Mr P Le Messurier

**STRICTLY CONFIDENTIAL**

Dear Sir,

Enclosed is a Terms Sheet outlining a Proposal for the reconstruction/refinancing of your Company.

We look forward to your response.

Kind regards,



\_\_\_\_\_  
J Shervington  
Chairman

**CONFIDENTIAL**  
**TERMS SHEET**  
**CURRENT STATUS**

**Plantcorp – Capital Structure**

Issued Ordinary Shares 49,986,256 \*<sup>1</sup>

Issued Converting Preference Shares 4,771,902\*<sup>2</sup>

1,192,779 “existing” options exercisable at 20 cents each \*<sup>3</sup>

2,000,000 “Kennedy” options exercisable at 0.5 cents each expiring 20 May 2007 \*<sup>4</sup>

500,000 “success fee” options exercisable at 20 cents each expiring 31 December 2006 \*<sup>5</sup>

\$103,500 of Convertible Loans convertible subject to shareholder approval into 34,500,000 ordinary shares plus 2 million post consolidation “Officers Options”

\*<sup>1</sup> Includes issue of 34.5 million shares pursuant to conversion of convertible loans approved at 2004 AGM, excludes 240,719 shares cancelled under a recent Selective Buyback.

\*<sup>2</sup> Under the terms of issue – on any consolidation of the Company's ordinary shares “the Board shall endeavour to ... consolidate ... the Converting Preference Shares on the same basis.”.

\*<sup>3</sup> Under the terms of issue, these appear to be reduced in number on a consolidation on the same basis as ordinary shares are consolidated but not as to the exercise price.

\*<sup>4</sup> Under the terms of issue these are to be adjusted on a consolidation in accordance with the Listing Rules “applying to a re-organisation of capital at the time of re-organisation”. The capital reconstruction will be conditional upon and only become effective at the time that the Company is admitted to the Official List of ASX.

\*<sup>5</sup> Under the terms of issue these are unaffected by a consolidation.

**Vet – Capital Structure**

Issued Ordinary Shares 10,920,769

Issued 30 cent Options 10,920,769

## PROPOSAL

1. Plantcorp will offer to acquire all of the issued Vet shares for a consideration of 3.5 Plantcorp Shares for every 1 Vet share.
2. Plantcorp will offer to acquire all of the issued vet options for a consideration of 3 Plantcorp Options for every 2 Vet options.
3. The Offers will be conditional on:
  - (a) Vet / Plantcorp procuring an appropriate underwriting commitment in respect of the capital raising referred to in clause 3(e) hereunder;
  - (b) Plantcorp acquiring at least 90% of the Vet shares and becoming able to proceed to compulsory acquisition of remainder under the Corporations Act;
  - (c) Plantcorp acquiring at least 50% of the Vet options;
  - (d) Plantcorp shareholders approving of:
    - (i) a consolidation of Plantcorp ordinary and Converting Preference Shares to either:
      - (aa) If shareholders approve of the conversion of the New Convertible Loans to 34.5 million Shares and 2 million Officer Options at the Meeting – 7,439,165 Shares;
      - (bb) If shareholders do not approve of the conversion of the New Convertible Loans to 34.5 million Shares and 2 million Officer Options at the Meeting – 7,302,664 Shares; \*
    - (ii) change of name of Plantcorp to “Vet Biotechnology Ltd” or similar;
    - (iii) any other aspect of the transactions contemplated by this Terms Sheet that require approval;
  - (e) Plantcorp raising \$3.25 million by the issue of 16.25 million Plantcorp Shares at 20 cents each and a 1 for 1 20 cent Plantcorp Option pursuant to a Prospectus;
  - (f) Plantcorp being admitted to ASX;
  - (g) Existing Vet Officers replacing Existing Plantcorp Officers at Completion.

\* Note if Plantcorp shareholders do not approve of the conversion of the New Convertible Loans and issue of Officer Options the \$103,500 and interest will be repayable.

## PROCEDURE

1. Plantcorp announces proposed bid .
2. Plantcorp will lodge a bidders statement as soon as practicable / legally permissible after 1.
3. Bidders Statement to be dispatched with Target Statement within the time prescribed by the Corporations Act.
4. Bid Closes on the earliest date prescribed by the Corporations Act or later if required to accommodate 5 and 6 hereunder.
5. Plantcorp issues Prospectus (to be signed by Existing Vet Officers who are Vet directors as "proposed directors"). Closing Date of Prospectus to coincide with closure of the Bid.
6. Meeting of Plantcorp Shareholders prior to Bid closure.
7. Completion occurs upon completion of the Bid subject to and conditional on the following events occurring contemporaneously:
  - (a) Offers become unconditional and transfers of accepted Vet Shares and Vet Options to Plantcorp effected;
  - (b) Shares and Options issued and dispatched to accepting Vet shareholders/optionholders;
  - (c) Minimum Subscription is raised and new share and option holding statements dispatched;
  - (d) ASX Admission Conditions are fulfilled;
  - (e) Board and company secretarial changes are effected.

## RESULTING PLANTCORP CAPITAL STRUCTURE

Consolidated Shares	7,438,180 * <sup>1</sup>
Prospectus Shares (Prospectus fully subscribed no over subscriptions)	16,250,000
Bid Shares (100% - acceptance)	37.8 million
Prospectus Options	16,250,000
Bid Options (100% acceptance)	18.9 million
Officer Options	2 million @ 20 cents * <sup>1</sup>
"success fee" Options	500,000 @ 20 cents
"Kennedy" options	166,666 at 6 cents * <sup>1</sup>
"existing" options	99,398 @ 20 cents * <sup>1</sup>

- \*1 Assumes conversion of New Convertible Loans is approved and all Loans are converted to equity (i.e. a 1 for 12 Consolidation) and no options are exercised.

## INTERPRETATION

In this Proposal:

**“ASX Admission Conditions”** means those conditions required for Plantcorp to be admitted to the official list of ASX;

**“ASX”** means Australian Stock Exchange Limited;

**“Existing Plantcorp Officers”** means Messrs Shervington, Rankine-Wilson, Lambert and Pismiris;

**“Existing Vet Officers”** means at any time those members of the board of directors and the company secretary of Vet at that time;

**“Meeting”** means a general meeting of Plantcorp shareholders to consider such resolutions as are required to give effect to this Terms Sheet;

**“Minimum Subscription”** means the raising of at least \$2.25 million under the Prospectus with a provision for oversubscriptions of \$1 million;

**“New Convertible Loans”** means convertible loans of \$103,500 made to Plantcorp;

**“Officer Options”** means 2 million post consolidation options each to subscribe for a Plantcorp Share at a price of 20 cents;

**“Plantcorp Option”** means an option to subscribe for a Plantcorp Share exercisable at 20 cents;

**“Plantcorp Share”** means an ordinary fully paid share in Plantcorp;