

Monday, 9 November 2009

## EWC PAYMENTS RECOMMENDS REJECTION OF OWN BID FOR NEWSAT

EWC Payments Pty Ltd (**EWC**) has today delivered its bidder's statement to ASX. The bidder's statement was lodged with ASIC on Friday, 6 November 2009 and sent to NewSat Limited (ASX: NWT) after the close of the market on the same day. Accompanying this announcement is EWC's bidder's statement and two corrected pages from the bidder's statement sent to NewSat on Sunday, 8 November 2009.

In its bidder's statement, EWC recommends that NewSat shareholders **REJECT** its offer for NewSat shares.

The Board of NewSat also recommends that NewSat shareholders **REJECT** the EWC offer. All of the directors of NewSat intend to reject the offer in respect of their holdings.

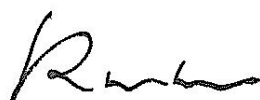
EWC says that it has taken the highly unusual step of recommending that NewSat shareholders reject its own offer because potential litigation with the Commonwealth Bank of Australia means that its commercial position is "uncertain".

While this is certainly a very good reason for NewSat shareholders to reject the EWC offer, there are many other equally good reasons for NewSat shareholders to reject the offer. NewSat will detail these additional reasons in the target's statement to be issued by NewSat in response to EWC's bidder's statement.

If no steps are taken to restrain the dispatch of the bidder's statement and offers to NewSat shareholders, those documents will be sent to NewSat shareholders between 20 November 2009 and 4 December 2009. NewSat is currently considering whether it should take action to prevent the dispatch of the bidder's statement and offers, given the futile nature of the offer.

NewSat proposes to issue its target's statement on or about the same date that the bidder's statement is sent to NewSat shareholders. The Board of NewSat urges you to read the target's statement carefully and to **REJECT** the EWC offer - as EWC has itself recommended.

NewSat shareholders are advised to take **no action** in relation to any communication from EWC in the meantime.



**Richard Green**  
Chairman

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[newsat.com](http://newsat.com)



# BIDDER'S STATEMENT

BY

**EWC Payments Pty Ltd**

ABN 51 122 161 737

in relation to an off-market 'scrip only' bid to acquire all of  
your fully paid ordinary shares in

**NewSat Ltd**

ABN 12 003 237 303

This Bidder's Statement is dated [TBC]. A copy of this Bidder's  
Statement was lodged with ASIC on this date. ASIC takes no  
responsibility for the content of this Bidder's Statement.

## CORPORATE DIRECTORY

### Directors

Jerome Cle (Executive Director)  
Dr. Matthew Starr (Managing Director)  
Company Secretary  
Dr. Matthew Starr

### Share Registry

Computershare Investor Services Pty Limited  
Level 3  
60 Carrington Street  
Sydney NSW 2000

### Registered Address

EWC Payments Pty Ltd  
Mezzanine Level  
16 Oxford Close  
Templestowe VIC 3106

### Auditor\*

Armstrong Partners (Aust) Pty Ltd  
Level 5  
150 Albert Road  
Sth Melbourne VIC 3205

\* These entities have been included for information purposes only. They have not been involved in the preparation of this Bidder's Statement.

### Important Dates:

Date Bidder's Statement was lodged with the ASIC and date of Bidder's Statement	[TBC]
Date of Offer: TBC]	[7pm (Sydney time)
Offer closes, unless extended* TBC]	[7pm (Sydney time)

**Note:** This date is indicative only and may be changed as permitted by the Corporations Act.

### Important Information

This document is the Bidder's Statement from EWC Payments Pty Ltd ABN 51 122 161 737 in relation to its off-market bid for all of the shares in NewSat Ltd ABN 12 003 237 303.

## **ASIC**

This Bidder's Statement is dated [TBC] and a copy of this Bidder's Statement was lodged with the ASIC on this date. Neither the ASIC nor any of its officers takes any responsibility for the content of this Bidder's Statement.

## **Investment Decision**

This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each NewSat Shareholder (or any other person). You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

## **Disclosure Regarding Forward Looking Statements**

This Bidder's Statement includes forward-looking statements that have been based on EWC's current expectations about future events. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause actual results to differ materially from the expectations described in such forward-looking statements. These factors include, among other things, those risks identified in Sections 10.7 & 10.8.

## **Foreign jurisdictions**

The distribution of this Bidder's Statement in jurisdictions outside Australia and New Zealand may be restricted by law, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify EWC or to otherwise permit a public offering of EWC Shares outside Australia.

## **Privacy**

EWC has collected your information from the share register of NewSat for the purposes of making this Offer and, if accepted, administering your shareholding in NewSat. EWC and the share registry may disclose your personal information to their related bodies corporate and external service providers and may be required to disclose such information to regulators, such as ASIC. If you would like details of information about you held by EWC, please contact EWC at the address set out in the Corporate Directory.

## **Defined Terms**

Various defined terms are used in this Bidder's Statement. Their meaning is set out in Section 11.

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Annexure A – EWC ASX Announcements

Annexure B – NewSat ASX Announcements following the Takeover Announcement

### **Important Notice**

**This is an important document and requires your immediate attention. You should read all of the contents of this Bidder’s Statement in its entirety.**

**If you are in doubt as to how to deal with this document, please consult your financial or other professional adviser.**

## SECTION 1 – MANAGING DIRECTOR’S LETTER

*Dear NewSat Shareholder,*

On behalf of the directors of EWC Payments Pty Ltd (EWC), I am pleased to enclose an offer by EWC to acquire all of your shares in NewSat Ltd (NewSat).

However, in light of unexpected action taken by the Commonwealth Bank AFTER the Takeover Offer was made, and which the Commonwealth Bank set aside prior to a Court Hearing, I very sadly recommend that you do **NOT** accept this offer from EWC for the detailed reasons outlined in Section 10.8.

My only concern in making this statement is the welfare of Newsat shareholders. Protection of your share value is paramount to me.

Newsat stated that this Takeover Offer was a sham and had no possibility of proceeding even to the release of a Bidder’s Statement. All I can surmise is that they seemed to have had information in hand unknown to myself.

At all times, EWC intended to issue a Bidder’s Statement, as it has done now, with an Offer EWC hoped would excite and entice Newsat shareholders to become a part of a dynamic new Merged Entity. If the Commonwealth Bank hadn’t issued and then set aside a Creditor’s Demand on EWC after it had made its Takeover Offer, then this Bidder’s Statement would be strongly recommending that you accept the Offer.

EWC has compiled a long list of written admissions by the Commonwealth Bank of the errors and mistakes made by them over a two year period concerning the processing of EWC’s merchant’s transactions, and EWC will be actively seeking recourse in the Courts.

This however, creates unnecessary uncertainty for NewSat shareholders were they to accept this Offer, as EWC will need to focus some of its energy, time and resources on addressing this matter.

As a result of Commonwealth Bank’s actions, EWC formerly applied to ASIC for relief whilst it completed its Statement of Claim against the Commonwealth Bank and issued it to the Court, however ASIC rightly declined this request as it would have created ongoing uncertainty re. NewSat shares. The Courts will decide the matter.

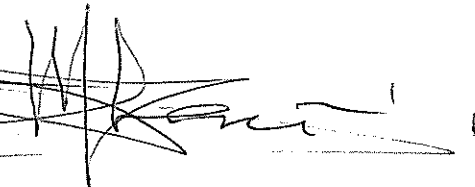
As you will note from EWC’s overview of its activities, it has been actively working over the past months to secure high volume, quality, profitable and sustainable satellite-based business linked with card transaction processing, which it will now have to place elsewhere. EWC sees a very strong future in the merging of satellite and card transaction processing solutions as they relate to Tolling, GPRS, Bluetooth and Vehicle Tracking.

EWC made the Takeover Offer for the sole purpose of merging satellite services with synergistic card transaction processing services. EWC believes this is the future of processing. In addition, EWC was attempting to capitalize on a 'good buy' with NewSat.

This has been a very disappointing experience for EWC and myself, however it will not stop the dynamic and profitable forward movement of the many exciting projects we have in operation at present.

So, in summary, I thank you for taking the time to review this Bidder's Statement and I once again request that you **DO NOT** accept the Offer for the sound reasons of uncertainty mentioned above.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Starr', with a long horizontal flourish extending to the right.

**Dr. Matthew Starr**  
Managing Director

## **2. SECTION 2 – SUMMARY OF TAKEOVER OFFER**

### **2.1 What is EWC offering to buy?**

EWC is offering to buy all of your NewSat Shares.

If you accept the Offer, EWC will be entitled to all Rights in respect of your NewSat Shares. You may only accept the Offer in respect of all of the NewSat Shares held by you.

The Offer is made to all persons who hold NewSat Shares as at the date of this Bidder's Statement.

### **2.2 What will you receive if you accept the Offer?**

#### **(a) *Consideration***

If you accept this Offer, you will receive one (1) EWC Share for every twenty (20) of your NewSat Shares.

In the event that the above calculation results in an entitlement to a fraction of a EWC Share, the number of EWC Shares you are entitled to will be rounded up to the next nearest whole number.

#### **(b) *EWC Shares***

The EWC Shares to be offered as consideration will rank equally with all EWC Shares then on issue.

### **Why you should accept the Offer?**

Please refer to Section 3 of this Bidder's Statement for details of the reasons why NewSat Shareholders should accept the Offer.

### **2.4 How to accept the Offer?**

#### **(a) *Issuer sponsored shareholders***

If your NewSat Shares are held on NewSat's issuer sponsored sub-register (such holdings will be evidenced by an "I" appearing next to your holder number on the enclosed Acceptance Form), to accept this Offer you must complete and sign the Acceptance Form enclosed with this Bidder's Statement and return it to the address indicated on the form before the Closing Date.

#### **(b) *CHESS sponsored shareholders***

If your NewSat Shares are in a CHESS Holding (such holdings will be evidenced by an "X" appearing next to your holder number on the enclosed Acceptance Form), you may accept this Offer by either:

- (i) completing and signing the enclosed Acceptance Form and returning it to the address indicated on the form; or
- (ii) instruct your controlling participant (usually your broker) to accept this Offer on your behalf, before the offer's Closing Date.

**(c) *Brokers and non-broker participants***

If you are a broker or non-broker participant, acceptance of this Offer must be initiated in accordance with Rule 14.14 of the ASTC Settlement Rules before the Closing Date.

**(d) *Further details***

Full details on how to accept this Offer are set out in Section 9 and also on the enclosed Acceptance Form.

Please note that all calls to this number will be recorded to satisfy legal requirements.

**2.5 When will you receive the consideration?**

Once you have validly accepted the Offer, EWC will endeavour to issue the EWC Shares as soon as is practicable, and in any event on or before the earlier of:

- (a) 1 month after this Offer, or the contract resulting from its acceptance becomes unconditional; and
- (b) 21 days after the end of the Offer Period.

Should you not accept the Offer and EWC proceeds to compulsory acquire outstanding NewSat Shares, then you will only receive your consideration in accordance with the timing of the compulsory acquisition provisions of the Corporations Act, which may be more than 2 months after the end of the Offer Period.

**2.6 When does the Offer close?**

The Offer closes at 7:00pm (Sydney time) on [TBC] unless it is withdrawn or extended in accordance with the Corporations Act.

**2.7 Is EWC making an offer in respect of NewSat Options?**

YES, EWC is making an offer in respect of NewSat Options pursuant to this Bidder's Statement.

EWC intends to grant to NewSat Optionholders one (1) new EWC share for every twenty (20) NewSat Options held.

If EWC is able to proceed to compulsory acquisition of the NewSat Shares, it will make an offer to acquire any NewSat Options (that are not exchanged for EWC Shares on the terms above) in accordance with the provisions of the Corporations Act.

## **2.8 Further information**

For queries on how to accept the Offer, please refer to Section 9, the enclosed Acceptance Form

## **2.9 Importance notice**

The information in this Section 2 is a summary of the Offer only.

You should read the entire Bidder's Statement and the separate Newsat's Response which will be sent to you directly by NewSat in relation to the Offer before deciding whether to accept the Offer.

## **3. SECTION 3 – REASONS FOR ACCEPTING THE OFFER**

### **3.1 Significant premium being offered by EWC**

EWC is offering NewSat Shareholders one (1) EWC Share for every twenty five (25) NewSat Shares they hold.

The offer by EWC represents a significant premium of approximately 35% to the recent trading price of NewSat Shares, based on EWC's nominal share value as calculated in section 4.10.

The closing price of NewSat Shares on ASX on 5 November 2009 was \$0.005 cents/share.

NewSat Shareholders should refer to section 4.8 of this Bidder's Statement for further details on the value of the consideration being offered by EWC.

### **3.2 Benefits for Merged Entity**

In the opinion of EWC's directors, if the Offer is successful it is anticipated that the prospects of the Merged Entity, compared to those of either EWC or NewSat alone, will be improved as a result of corresponding benefits and synergies. In the light of no other competitive bid in play, EWC considers that it has the expertise to maximize the potential that NewSat's existing infrastructure presents.

EWC believes these merged benefits and synergies will enhance the potential for additional value creation for all shareholders.

EWC believes that NewSat has a developing wholesale satellite business, customer care and billing operations, that is well matched by EWC's transaction processing & money remittance businesses, combined with its marketing and distribution capabilities.

The Merged Entity should create a unique 'end-to-end' internet, transaction processing, and money remittance offering with sufficient scale to compete head to head with other plans offered by larger telecommunications, transaction processing, and remittance companies.

**Operational efficiencies.** Synergies and efficiencies will be gained by merging the two entities. Currently both EWC and NewSat have a financial team, a customer operations team, a billing and analysis team, a limited marketing team, and resources focused on working with external parties.

EWC expects that the proposed merger will realise savings, via rationalisation of the existing teams, whilst also allowing a greater focus on developing individual opportunities that today neither business in their own right has the resources to investigate and pursue.

**Corporate efficiencies.** The proposed Board structure (with four Board members) represents a significant reduction on the current pool of five (5) Directors across both organizations. The Board of the Merged Entity will consist of four (4) members, comprising two (2) executive directors and two (2) non-executive Directors. From the current EWC Board, Dr. Matthew Starr will be the Managing Director of the combined entity and a further Executive Director and two (2) non-Executive Directors will be appointed should the Takeover be successful.

From the existing NewSat Board, there will be no carry-over of Directors.

**Economies of scale.** Currently, EWC doesn't believe that NewSat has achieved sufficient economies of scale and therefore EWC believes it operates with excess capacity in its operations. Organic growth from this reduced scale is also cost prohibitive. The proposed merger is expected to achieve the scale required and will establish a solid platform from which to focus on additional opportunities for growth including investment in organic growth. The increased size of the customer bases will deliver savings on key supply contracts as well as additional benefits to be gained in negotiating supply contracts associated with ongoing customer management costs.

The Merged Entity intends to rationalise its branding to retail customer groups.

**Improved capability and depth of talent.** Currently the two entities focus on similar areas but have developed different skill sets and capabilities.

EWC has traditionally focused on transaction processing, money remittance and marketing with an outsourced (to its parent company) customer care focus to help keep operational overheads to a minimum. EWC has recently been diversifying its business strategies to capitalize on new global growth opportunities in high profit markets.

NewSat has concentrated on developing wholesale satellite solutions with a key aspect being its billing and in-house customer care facilities.

The proposed merger combines the key strengths of each organisation and substantially improves the depth of talent within the Merged Entity. This will enable the company to focus on growth through its own retail operation whilst developing wholesale partners.

It will also enable the Merged Entity to explore other telecommunications areas and overseas markets where satellite businesses are yet to be established.

**Solid platform for future growth.** The Merged Entity should have, within the first twelve (12) months of operation, a team of employees servicing a relatively small number of clients that have solid core of customers that use their products and services.

### **3.3 Management Team**

The management teams of EWC and NewSat have proven track records with respect to establishing and growing a satellite business, a transaction processing business, a money remittance business, other diversified value-added businesses, identifying and integrating acquisitions, negotiating with network and other critical suppliers, and managing a public company.

Due to the complimentary nature of the two companies, the net result should be an increase in operational capabilities such as billing and customer care, sales and marketing, finance and accounting. In the Merged Entity, Dr. Matthew Starr from EWC will be the Managing Director, and all current NewSat Directors and executives below the level of NewSat Managing Director will continue in their present roles as though there has been no change to the organization. In effect, it is expected that current NewSat staff will be presented with increased opportunities for advancement and skills diversification within the enlarged organization. The headcount increase in the merged entity is expected to be just one (1) person over the current Headcount existing at NewSat.

#### **3.4 Reasons to NOT accept this Offer**

Please refer to Section 10.8 which provides details of why you should NOT accept this offer due to reasons of uncertainty.

#### **3.4 Australian Tax Considerations**

Section 8 outlines key tax considerations for NewSat Shareholders if they accept the Offer. You should consult a qualified tax adviser for further taxation advice as EWC has provided this information purely for indicative purposes so that you give this important issue careful consideration.

#### **3.5 No stamp duty or brokerage**

There will be no brokerage or stamp duty payable by you in respect of the sale of your NewSat Shares to EWC.

## 4. SECTION 4 – PROFILE OF EWC

### 4.1 Overview of EWC's activities

EWC is an Australian transaction processing company (with a Swiss parent company) that processes debit and credit card transactions for internet organizations worldwide.

From 2006 until mid 2009, EWC channeled all the credit card transactions it processed on behalf of merchant customers via the Commonwealth Bank, however since the start of fiscal 2010, EWC has ceased domestic transaction processing and is now working in partnership with a **Joint Venture company** – (bound by non-disclosure at this time) - to process the debit card transactions from an initial rollout of one (1) million USB-connected Point of Sale devices throughout the Asia-Pacific region over the next 18 months – commencing in the Philippines where 12,500 devices have already been deployed. The enormity of this business opportunity is one of the prime reasons for the Takeover Offer.

In addition, EWC provides the processing engine for [www.YuuPay.com](http://www.YuuPay.com), which is one of the services provided by another complimentary mobile services company

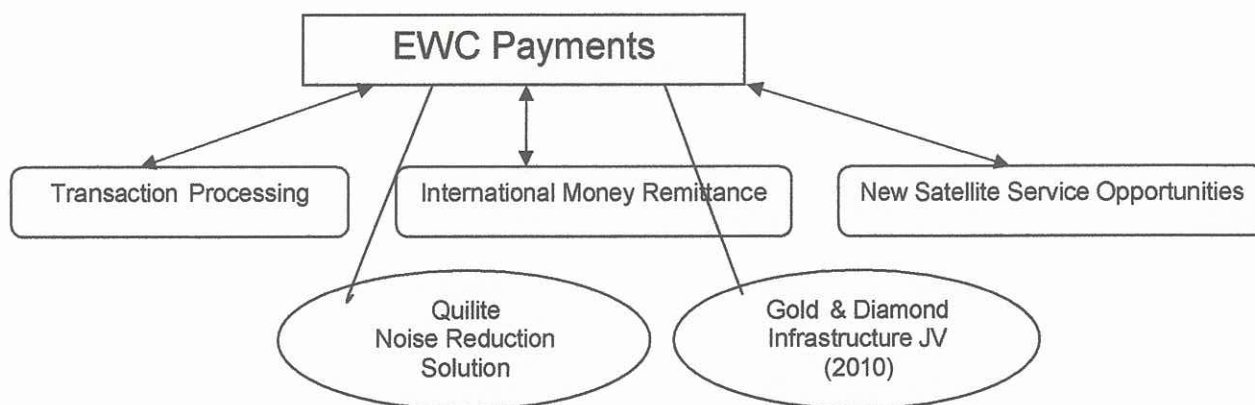
EWC is also in final negotiations (bound by non-disclosure at this time) to become the **exclusive satellite and transaction processing service** for a Victorian company that has won a major Government contract to install approximately **100,000 GPS, tolling, and Bluetooth enabled devices in vehicles throughout Australia** over the next 18 months. The device rollout is currently in its pilot phase with approximately 1,000 devices deployed, and will ramp-up significantly in early 2010.

In addition, EWC is expanding the global footprint of its parent company's joint-venture money remittance business – **Money Express** – [www.money-express.com](http://www.money-express.com), and EWC is responsible for the development and expansion of the brand throughout the Australia/Pacific region. The Global Money Remittance business is a \$370 billion per annum growth business and EWC is intent on carving-out a profitable niche of this industry. More than \$6+ billion is sent out of Australia each year in remittance payments to other countries and EWC intends to secure a profitable niche share of this market opportunity, leveraging the partners, and infrastructure of its parent company – all of which is already established and operational.

Finally, EWC is currently developing new revenue streams in two areas of strong product demand throughout the world (1) noise reduction technology- via its licenced **Quilite** product, and (2) Gold and Diamond research, infrastructure development, production, and sales in Joint-Venture with local interests in the Republic of Guinea – scheduled for 2010 ramp-up. Revenues from these two services will not commence until 2010.

#### 4.2 Group Structure of EWC

A group structure, showing the principal activities and businesses of the EWC group is shown below:-



#### 4.3 Principal activities of EWC

EWC has 5 principal activities:-

1. credit & debit card internet transaction processing focused on a **USB-connected POS device** Joint Venture which is in the process of deploying **one (1) million POS devices (for PC, laptop, smartphone internet-based transactions)** over the next **18 months in the Asia-Pacific Region**. See [www.eworldaccount.com](http://www.eworldaccount.com)
2. providing the transaction processing platform for [www.yuupay.com](http://www.yuupay.com), which is a service provided by another complimentary mobile media, micro-payment and advertising company. This partnership provides EWC the ability and access to provide its current and future products and services at low delivery cost to the global mobile phone user market.
3. finalising the contract to be the exclusive provider of satellite and card transaction processing services to an Australian company that has a Government contract to install approx. 100,000 GPS, tolling, and Bluetooth-enabled devices in vehicles throughout Australia over the next 18 months. This represents just the start of the project, with thousands more devices expected to be deployed thereafter, both in Australia and overseas.
4. establishment, development and expansion of the proven **Money Express** international money remittance network (a Joint-Venture partner with EWC's parent company) throughout Australia/Pacific. Already, Money Express has 60,000 branded and partner locations in more than 57 countries. See [www.money-express.com](http://www.money-express.com)
5. development of the **Quilite** brand [www.quilite.com](http://www.quilite.com) and sales throughout Australasia – a '**green**' noise reduction product.. EWC has a Master Franchise for the Australia-Pacific region (including China & Japan). Quilite is currently finalising a London AIM

listing. Quillite was invented by a retired Aerospace Physicist of the Hughes Aircraft Corporation. Quillite, which is installed on highways and facilities throughout the USA, is patented, low cost, translucent, recyclable, high strength, ultra light-weight, installs in 10% of the time of concrete panels, can be dismantled and moved if required, will not discolour for more than 50 years, enables graffiti to be easily washed-off with water, and reduces more noise pollution than traditional noise barriers.

Over the last 6 months EWC has focussed on developing its own brands and further expanding its direct customer base through diversification in its product and service offerings.

EWC out-sources most of the customer care functions to its parent company which allows EWC to focus on sales and marketing, as well as the distribution of its products to retail channels. This builds on the strengths of the EWC team whose experience is in sales and marketing of such products and services in Australia and overseas.

This outsourcing to EWC's parent company will no longer be required with the Merged Entity, as EWC will leverage the local NewSat office and infrastructure instead. **Therefore, EWC will have no further need to pay Management Fees to its parent company.**

#### **4.4 EWC's ongoing strategies**

EWC's growth strategy is based on three platforms:

- Organic growth - built on sales and marketing effort;
- New territories - taking the model to new markets; and
- Acquisition - selecting businesses with a good fit and integrating via joint ventures to achieve operational synergies and scale.

EWC will continue to seek out synergies and improved efficiencies through acquisitions, joint ventures and partnerships throughout 2010.

#### **4.5 Directors of EWC**

Details of the responsibilities and experience of the EWC Directors (as at the date of this Bidder's Statement) are set out below.

##### **Dr. Matthew Starr, Managing Director**

Dr. Starr, aged 51, has a Bachelors Degree (Economics & Accounting) and a Doctorate (Science - Information Technology) and has held a number of executive roles over the past 29 years, which have included National Mutual Royal Bank, ANZ Bank, Stratus Technologies Inc., EMC Inc., CA Inc., and Cyberspace Corporation.

Dr. Starr was the Founder of EWC and also helped establish and develop Edelweisscard SA into a global operation. Throughout the 1990's Dr. Starr was responsible for the sale and implementation of most of the multi-million dollar ATM/POS transaction processing switch solutions in operation in Australia, New Zealand, and the Pacific, including companies such as Coles, Myer, Target, Kmart, Liquorland, Shell, Mobil, Bank of Melbourne, Bank SA, Adelaide Bank, Trust Bank, Newcastle Permanent Building Society, Heritage Building Society, National Bank of New Zealand, Countrywide Bank NZ, Mobil NZ, Westpac Fiji, Banklink PNG.

#### **Jerome Cle, Executive Chairman**

Mr. Cle, aged 43, is a fund management specialist who has worked in Geneva with major financial institutions and private banks over the past 15 years in the areas of arbitrage, derivatives etc. Mr. Cle is the President of Edelweisscard SA and was also one of its Founders. Mr. Cle is currently resident in Singapore.

#### **4.6 Information about EWC Securities**

##### **(a) EWC Shares**

At the date of this Bidder's Statement, there are 10 shares on issue.

As a result of the Offer, the number of EWC shares on issue is expected to increase as follows:

<b>Event</b>	<b>Number of Shares</b>
Current	10
Issued to Edelweisscard SA upon becoming a Public Company as per Section 4.10	438,452,790
Issued to NewSat shareholders under the Offer (estimate based on full conversion by NewSat share and optionholders)	361,547,200
<b>TOTAL providing 100% of NewSat is secured</b>	<b>800,000,000</b>

#### **4.7 Shareholders of EWC**

As at 6 November 2009, there was one (1) shareholder of fully paid ordinary shares in EWC.

As at 6 November 2009, the substantial shareholder of EWC was:

Edelweisscard SA (Geneva, Switzerland) – 10 shares

#### **4.8 Trading in NewSat Shares**

NewSat Shares are quoted on ASX.

Highest trading price in the 3 months prior to the date of this Bidder's Statement – **\$0.008**.

Lowest trading price in the 3 months prior to the date of this Bidder's Statement – **\$0.005**.

Closing trading price on the date EWC announced the Takeover Bid – **\$0.006**.

Approximate volume weighted average price for the 30 trading days prior to 3 September 2009 – **\$0.0058**.

#### **4.9 Websites**

EWC maintains/is directly involved with, four websites – [www.edelweisscard.com](http://www.edelweisscard.com) and [www.eworldaccount.com](http://www.eworldaccount.com) and [www.money-express.com](http://www.money-express.com) and [www.yuupay.com](http://www.yuupay.com)

– which contain further information about EWC and its operations.

#### **4.10 Further Information**

##### **Nominal Share Valuation Methodology Applied by EWC**

In determining **EWCs nominal share valuation of \$0.20/share** prior to its Takeover Offer Announcement on 3 September 2009, EWC used a rule-of-thumb 'discounted free cash flow' (DFCF) approach. EWC did so because it perceived this approach to be the most comprehensive valuation approach available to it amongst those commonly used.

With its DFCF approach, EWC considered three factors to determine its nominal market value -

1. its Base Year Company Cash Flow
2. its Cash Flow Projections, and
3. a Cost of Capital Rate Used to Discount its Cash Flow Projections

##### **How EWC Established its Base Cash Flow:**

Firstly, EWC separated its reported cash flow as reported on the company's 2008 unaudited ATO fiscal year tax return (because at the time EWC calculated its nominal share value – its audit had not yet been completed, and EWC is not a Public company yet) into three possible sources:

1. Cash flow from operations - \$308,825,091
2. Cash flow from any rental and real estate activities - Nil
3. Cash flow from passive investments: dividends, interest income and royalties - \$3,388,839

Secondly, EWC made adjustments to its reported operating cash flow for the base year according to generally accepted valuation standards so as to recast the company's financials as if there was a separation between the ownership of the company and the management, as EWC felt that this is generally the case with public companies such as NewSat. The areas where EWC made adjustments for the purposes of its valuation were:

- Parent Company Management Fees - \$1,000,000
- Bank Fees & Processing Fees - \$7,408,869
- Typical Parent Company Discretionary Expenses: Travel, Entertainment, Meals, Club Membership Fees, Advertising, and Automotive, Occupancy Expenses - \$568,825.

#### **EWCs Company Cash Flow Projections:**

EWC then projected its adjusted cash flows using one of three growth segments that characterise its industry – payments industry. These segments have been developed by evaluating firm performance and creating three firm growth cohorts - high, average, and low growth. This was based on EWC's past performance relative to the payments industry and the overall economy. To be conservative, EWC used "low growth" as its forward projection estimate, even though it was experiencing very high growth percentages.

These projected cash flows were not needed to be adjusted for any necessary fixed and working capital requirements to insure that the operating cash flow projections are attainable, because EWC utilizes the infrastructure established by its parent company rather than unnecessarily duplicating services. This adjustment then provided EWC with its static free cash flow projections for the company ie.  $\$296,458,558 \times 1 = \$296,458,558$ .

#### **Cost of Capital Rates Used by EWC to Discount its Cash Flow Projections:**

EWC then applied a unique cost of capital for each cash flow source based on its risk characteristics.

Operating cash flow: Weighted average cost of capital based on a cost of equity reflecting systematic risk for the specific industry the firm is in, and a credit risk model to determine firm's cost of debt – 37%

Non-operating cash flow: Valued as a no-growth perpetuity using the appropriate discount rate. – not applied.

### **How EWC Determined its Total Fair Market Value**

This unadjusted value of EWC – approx. \$160,000,000 was thus considered equal to the sum of the values of each type of cash flow. This unadjusted value was then considered for adjustment for control and lack of liquidity.

The unadjusted value of EWC equity was then determined as the difference between total EWC unadjusted value and the sum of the book values of preferred equity, debt and other long-term liabilities – of which EWC had very little.

The unadjusted value of EWCs equity was neither factored up by a control premium nor factored down by a liquidity discount as this was considered unnecessary based upon its business model. EWC could easily have significantly factored up the yield by a control premium, however it decided not to.

EWC considered that this adjusted equity value plus the sum of book value preferred equity, book value of debt and the book value of other long-term liabilities equalled the total fair market value of the firm ie. \$160 million.

**This is why EWC advised to the Takeovers Panel that it would increase its authorized capital to 800,000,000 shares with a nominal value of \$0.20 each.**

### **4.11 Dividend Policy**

The Company's dividend policy is determined by the board of directors. No assurance can be given as to the timing or amount of future dividends. There are many factors which will influence any dividends declared by EWC, including the amount of profit (if any) available for distribution (which itself is dependent on a number of variables) and the need for EWC to retain earnings to meet the costs of capital expenditure or other expenses.

### **4.11 Announcements by EWC in relation to the Offer**

The announcements which have been made by EWC to the ASX since 3 September 2009, being the date of EWC's Takeover offer, are set out in Annexure "A".

## **5. SECTION 5 – PROFILE OF NEWSAT**

### **5.1 Disclaimer**

This overview of NewSat and all financial information concerning NewSat contained in this Bidder's Statement has been prepared by EWC using publicly available information and adjusted where considered appropriate by EWC based on EWC's industry knowledge and expertise. EWC conducted a review of certain publicly available information and publicly available documents before it announced its intention to make a takeover bid on 3 September 2009. During that review, EWC did not receive any information that is material to a decision by NewSat Shareholders whether to accept the Offer, which has not already been disclosed by NewSat to ASX or is not disclosed elsewhere in this Bidder's Statement.

The information in this Bidder's Statement concerning NewSat has not been independently verified. EWC does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

The primary sources of information about NewSat used by EWC were as follows:

- (a) NewSat's Financial Year 2010 – First Quarter Report to the Market;
- (b) NewSat's Appendix 4E Preliminary Final report – 30 June 2009;
- (c) press releases and ASX announcements made by NewSat in the last 12 months;
- and
- (d) other publicly released information in relation to NewSat.

Further information relating to NewSat is expected to be included in the target's statement which NewSat must provide to its shareholders.

### **5.2 Overview of NewSat's activities**

NewSat is an Australian company listed on the ASX with its primary operations as a provider of voice, data and video communications via satellite. NewSat coverage is global using a significant infrastructure base with a strong presence in Australia, Middle East, PNG and East Timor.

### **5.3 Principal Activities of NewSat**

An overview detailing the principal activities and business of the NewSat Ltd is shown below:

1. Teleport Services from its Adelaide & Perth teleport facilities
2. VSAT solutions
3. Other Satellite Communication services

### **5.4 Principal Activities of NewSat**

NewSat offers Teleport Services, VSAT Solutions, and other Satellite communications services via two (2) teleports in Perth and Adelaide, enabling coverage over Australia/Oceania, Asia, the Middle East and Africa. This enables NewSat to:

1. extend services and networks to places that normal terrestrial solutions can't/don't go
2. provide ubiquitous coverage for Broadcast Services

3. support disaster recovery and business continuity networks
4. provide multicast content delivery
5. deliver transportable solutions
6. support geographical and technical diversity
7. enable quick service deployment

NewSat provides its products and services to a niche markets such as:-

1. Wholesale Distributors – Resellers
2. Government – Federal & State
3. Military – US Military Accredited
4. Oil, Gas, & Mining
5. Telco's & Service Providers
6. Video Broadcasters
7. Satellite Operators (Telephony Tracking and Control)
8. Retail Stores
9. Consumers

For further information on NewSat Ltd visit [www.NewSat.com](http://www.NewSat.com)

## **5.5 Information about NewSat securities**

### **(a) NewSat Shares**

As at 30 June 2009, NewSat had 6,794,444,000 (six billion, seven hundred and ninety four million, four hundred and forty four thousand) fully paid ordinary shares on Issue.

The substantial shareholders of NewSat as at 17 September 2009 were as follows:

Rank	Name	Units	% of Units
1	RBC Dexia Investor Services Australia Nominees Pty Ltd	244,196,049	3.59
2	Austock Investments Pty Ltd	100,000,000	1.47
3	Mr Tony Danilov	82,550,000	1.21
4	Mr Steven Robert Brown	80,000,000	1.18
5	Mr Gary Ronald Heath & Mrs Melissa Louise Heath	73,367,167	1.08
6	Mrs Ena Vosk (ITF Mrs M A Gentzler A/C)	65,806,666	0.97
7	Willow Horizon Pty Ltd	63,736,689	0.94
8	Hurlbrook Pty Ltd	60,000,000	0.88
9	Ablett Pty Ltd (David Edwards Family A/C)	57,500,000	0.85
10	Mr Steffan Peter Weiss	55,000,000	0.81

### **(b) NewSat Options**

As at the date of this Bidder's Statement, there are 436,500,000 (four hundred and thirty six million, five hundred thousand) NewSat Options on issue with various vesting dates and prices.

## **5.6 Change in NewSat's financial position and information on NewSat**

### **(a) NewSat's Financial Year 2010 – First Quarter Report to the Market**

Other than as disclosed in this Bidder's Statement, EWC is not aware of there being any material change in the financial position of NewSat since the lodgement with ASX on 30 September 2009 of NewSat's Full Year Statutory Accounts where NewSat reported:

1. a **Net loss** for the period of **\$2,960,000** which was an improvement over the previous years **loss** of \$4,838,000.
2. a net cash **outflow** of **\$31,000** for the period.
3. a statement by Ernst & Young (NewSat's Auditor) regarding an **"Inherent Uncertainty Regarding (NewSat's) Continuation as a Going Concern"**.
4. a total of **6.794 billion shares** on issue.
5. an average **loss** of **\$11 million per annum** for the past 10 years.

### **(b) Other publicly available information**

NewSat is listed on ASX and is required to comply with continuous disclosure requirements of ASX. A substantial amount of information concerning NewSat has previously been notified to ASX and is therefore publicly available.

NewSat Shareholders may obtain or inspect a copy of documents lodged with the ASIC at an office of the ASIC or of documents lodged with ASX at an office of ASX.

## **5.7 Announcements by NewSat in relation to the Offer**

The announcements which have been made by NewSat to the ASX since 3 September 2009, being the date of EWC's Takeover offer, are set out in Annexure "B".

## 6. SECTION 6 – RATIONALE FOR OFFER AND INTENTIONS OF EWC

### 6.1 Rationale for the Offer

EWC believes that there are a number of key strategic and financial benefits that will arise from the successful acquisition of NewSat by EWC. These include:

- (a) **Increased Customer Base and Revenues**  
The Merged Entity will have a larger customer base which will enable EWC to better compete with other plans in the market offered by larger telecommunications, transaction processing and money remittance companies.
- (b) **Cost savings**  
The acquisition of NewSat is expected to provide the opportunity for cost savings. EWC expects that cost savings may arise from centralising the operations of the Merged Entity including consolidating corporate head office functions such as company secretarial, financial management and accounting. All these functions will remain the domain of existing NewSat staff – who will have the opportunity to diversify their experience with exposure to EWC business units. The quantum and timing of actual cost savings that may be achieved by the acquisition of NewSat by EWC will be influenced by many factors. EWC does not consider that it is in a position to precisely quantify these cost savings until it has conducted a full review of NewSat's business.

### 6.2 Intentions of EWC

- (a) **Approach**  
This Section sets out the intentions of EWC on the basis of facts and information concerning NewSat which are known to EWC at the time of preparation of this Bidder's Statement. However, EWC will only reach final decisions in light of material facts and circumstances at the relevant time. Accordingly, the statements set out in this Section are statements of current intentions only which may vary as new information becomes available or circumstances change.
- (b) **Intentions upon acquisition of NewSat**
  - (i) **Strategic review**  
EWC intends to undertake a detailed review of NewSat's activities and assets to evaluate their prospects, strategic relevance, funding requirements and financial performance. This may lead to modification of some of NewSat's existing projects and activities. This strategic review will provide the main platform for EWC to identify and assess the specific areas that may provide benefits to EWC and the expected costs and time frames.

(ii) Composition of the Board

If the Offer is successful, the Board of the Merged Entity will consist of four (4) members, comprising two (2) executive directors and two (2) non-executive Directors. From the EWC Board, Dr. Matthew Starr will be the Managing Director of the combined entity. From the NewSat Board, there will be no carryover directors. Two new non-executive directors will be appointed together with one new Executive Director. The proposed Board structure (with four Board members) represents a significant reduction on the current pool of six (6) Directors across both organizations.

(iii) Corporate matters

EWC intends to:

- (A) if entitled to do so, proceed with the compulsory acquisition of any NewSat Shares not acquired under the Offer and any other NewSat securities on issue which it is entitled to compulsorily acquire in accordance with the Corporations Act; and
- (B) EWC intends to immediately merge the Satellite services it currently provides, with EWC's card transaction processing services in order to create a new suite of products and services that deliver 'end-to-end' solutions to a number of high growth, emerging market segments. For instance, EWC's international money remittance business requires the deployment of wireless Point of Sale devices which require telecommunications connection. Also, EWC has been working for months on negotiating new business focused on the need for both satellite and card transaction services combined – to service the emerging Tolling, GPRS and Bluetooth services being provided to cars and trucks.
- (C) procure the removal of NewSat from the official list of the ASX.

(iv) Corporate office and employees

Subject to the strategic review, EWC intends to continue to conduct, enhance and expand the NewSat business. EWC will, however, consider centralising head office functions. It is proposed that functions such as company secretarial, financial management and accounting will be centralized at NewSat's location.

(v) General business integration

As part of the strategic review, EWC intends to undertake a specific review of:

- (A) NewSat's assets and liabilities; and
- (B) the possible synergies and benefits between EWC and NewSat. EWC intends to prepare a business integration plan and implement that plan.

**(c) Business, assets and employees**

Except for the changes and intentions set out in this Section 6.2, it is the present intention of EWC (based on the information presently available to it) to:

- (i) continue to hold the key assets of NewSat and maintain and expand its business, integrating it where possible with the business of EWC;
- (ii) subject to a strategic review, not make any major changes to the business or assets of NewSat and not redeploy any of the fixed assets of NewSat; and
- (iii) subject to a strategic review, continue the employment of NewSat's present employees, other than the Managing Director and the Board.

**6.3 Intentions in relation to NewSat Options**

As detailed in Section 5.5(b), there are currently a number of NewSat Options on issue. This Bidder's Statement includes an offer made by EWC for those NewSat Options.

EWC has agreed to grant to NewSat Optionholders one (1) new EWC share for every twenty nine (29) NewSat Options in consideration that the NewSat Optionholder waives all rights in respect of the NewSat Options.

If EWC and its associates have obtained a relevant interest in the NewSat Shares at the end of the Offer Period, EWC must offer to acquire any NewSat Options (that are not exchanged for EWC Options on the terms above) in accordance with the provisions of Part 6A.1 – Division 2 of the Corporations Act.

**6.4 Intentions in relation to Compulsory Acquisition of NewSat shares**

If EWC is able to proceed to compulsory acquisition of the NewSat Shares, it will make an offer to acquire the remaining NewSat Shares in accordance with the provisions of the Corporations Act.

**6.5 General effect of acquisition on EWC**

The acquisition of NewSat will have a material effect on the existing operations of EWC. As indicated above, if EWC is successful in acquiring NewSat, EWC intends to develop a business integration plan, with the object of realising expected benefits as quickly as possible. At this stage, and based on the NewSat information available, a number of the benefits are expected to be realised progressively as the operations of NewSat and EWC are integrated. As NewSat has reasonable cash reserves, it is unlikely to require further funding from EWC in the short to medium term.

**EWC Shares**

Assuming the Offer is successful and EWC acquires all of the NewSat Shares on issue as at the date of this Bidder's Statement and issues EWC Shares as consideration for the above acquisition, the total number of EWC Shares which would be on issue is set out in the table in Section 4.6(a).

## **6.6 Effect on substantial shareholders of EWC post completion of the Takeover Bid**

The acquisition of NewSat will impact the substantial shareholders of EWC. Based on current shareholdings, Part A of the table below summarises the effect on the current substantial shareholders of EWC, and Part B of the table summarises the likely substantial shareholders of EWC, on completion of the Offer.

<b>Name</b>	<b>Number of EWC Shares held post completion of the Takeover Bid</b>	<b>Based on 100% Acceptances %</b>
<b>PART A</b>		
Edelweisscard SA	438,452,800	54.807
<b>PART B</b>		
RBC Dexia Investor Services Australia Nominees Pty Ltd	12,209,803	1.526
Austock Investments Pty Ltd	5,000,000	0.625
Mr Tony Danilov	4,127,500	0.516
Mr Steven Robert Brown	4,000,000	0.500
Mr Gary Ronald Heath & Mrs Melissa Louise Heath	3,668,359	0.459
Mrs Ena Vosk (ITF Mrs M A Gentzler A/C)	3,290,334	0.411
Willow Horizon Pty Ltd	3,186,835	0.398
Hurlbrook Pty Ltd	3,000,000	0.375
Ablett Pty Ltd (David Edwards Family A/C)	2,875,000	0.359
Mr Steffan Peter Weiss	2,750,000	0.344

## 7. SECTION 7 - FINANCIAL INFORMATION

### 7.1 Overview

In EWC's Takeover Announcement on 3 September, 2009 it referred to calendar year figures (as stated) as its parent company reports on a calendar year basis and is audited as such.

EWC's financials have been audited for the 2008 fiscal year and are as follows:-

### Profit and Loss Highlights

#### Revenue

#### Operating activities

Gross Sales receipts Received	308,825,091
Less – Payments to Vendors	<u>(296,472,090)</u>
Nett Gross Commissions	12,353,001
Interest	<u>87,740</u>
Revenues from ordinary activities	<u>12,440,741</u>
Profit before income tax expense	63,999
Income Tax Expense	<u>8,470</u>
Nett Profit attributable to members of the company	<u>55,529</u>

#### Statement of Cashflows

Cash at end of financial year	1,017,452
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### Balance Sheet Highlights

Total Current Assets	1,791,182
Total Liabilities	<u>1,771,798</u>
Net Assets	19,773

There is a qualification to the audit report relating to the Commonwealth Bank matter detailed in section 10.8 such that inherent uncertainty exists as to whether EWC can continue to operate through to 30 June 2010 or until such time as the court case is finalized.

EWC had no intention to use any funds that NewSat had on deposit at the completion of the Takeover, in order to facilitate its own business units that will be merged into the new entity. All NewSat funds will continue to be deployed for the ongoing operations of Satellite opportunities. EWC does not require existing NewSat funds for its own operations. EWC believes that NewSat's overheads are significantly higher than those of EWC and therefore NewSat requires all the funds it currently has on deposit to continue to support its existing infrastructure.

## 8. SECTION 8 - AUSTRALIAN TAX CONSIDERATIONS

### 8.1 Introduction

This Section of this Bidder's Statement provides a general summary of some of the income tax (including Capital Gains Tax ("CGT")) and GST consequences to Australian tax resident NewSat Shareholders as a result of accepting the Offer as they apply at the date of this Bidder's Statement. It does not constitute tax advice.

The outline set out below does not take into account or anticipate changes in the law (by legislation or judicial decision) or any changes in administrative practice or interpretation by the relevant authorities. In addition, the outline is not exhaustive of all income tax considerations which could apply in all circumstances of any given shareholder. Special additional rules may apply to particular NewSat Shareholders, such as insurance companies, superannuation funds and financial institutions.

Any NewSat Shareholders not resident for tax purposes in Australia should seek their own independent taxation advice. They should also take into account the tax consequences under the laws of their country of residence, as well as Australian law, of acceptance of the Offer and the acquisition, ownership and disposal of EWC Shares.

***All NewSat Shareholders should consult their own independent tax advisers regarding the income tax and capital gains tax consequences of disposing of NewSat Shares having regard to their particular circumstances.***

Subject to the above, described below is a broad overview of the taxation consequences to Australian resident NewSat Shareholders.

### 8.2 Income Tax and Capital Gains Tax Issues

The taxation consequences associated with the Offer will depend upon whether the NewSat Shareholders hold the NewSat Shares as:

- (a) capital assets – shares acquired (or deemed to be acquired) on or after 20 September 1985;
- (b) capital assets – shares acquired (or deemed to be acquired) before 20 September 1985;
- (c) revenue assets; or
- (d) trading stock.

Each NewSat Shareholder will need to determine which category they fall into. The Australian income tax and CGT consequences of accepting the Offer for each NewSat Shareholder will differ depending on which category of ownership applies to them.

(a) Shares held on capital account

Shareholders who hold their NewSat Shares as passive investments with the intention of generating dividend income and long term capital growth are likely to be considered to hold shares on capital account for tax purposes. Assuming the NewSat shares were acquired (or deemed to be acquired) on or after 20 September 1985, the calculation of any capital gain or loss will be dependent upon the date of acquisition of those shares. Certain rollover reliefs may also be available on disposal of the NewSat shares.

*\* NewSat shares acquired (or deemed to be acquired) before 21 September 1999*

In calculating any capital gain, NewSat Shares acquired before 21 September 1999, there are two alternative methods which may be adopted. NewSat Shareholders can choose to have the capital gain calculated using the indexed cost base of the NewSat shares, or alternatively, you have the option of using the CGT discount method. Under the CGT discount method an individual NewSat Shareholder, or an individual who is a beneficiary of a trust which owns NewSat Shares, may qualify for a 50% discount in any gain otherwise included in assessable income. A NewSat Shareholder which is a superannuation fund may qualify for a 33.33% discount. A NewSat Shareholder which is a company will not be eligible for the capital gains discount. Where the consideration received is less than the reduced cost base of the NewSat shares (broadly the cost base excluding any indexation) a capital loss will arise. The discount method is not applicable to capital losses.

*\* NewSat shares acquired (or deemed to be acquired) on or after 21 September 1999*

For shares acquired (or deemed to be acquired) on or after 21 September 1999, no indexation of the cost base is available. In these circumstances, where the NewSat shares have been held for at least 12 months, the CGT discount may be available in calculating any capital gain on the sale of those shares as outlined above. Where the NewSat shares have been held for less than 12 months, no discount will be available.

Where the consideration received is less than the reduced cost base of the NewSat shares a capital loss will arise. The discount method is not applicable to capital losses.

*\* Roll-over relief*

If a capital gain accrues to a NewSat Shareholder as a result of accepting this Offer and the other conditions of scrip for scrip roll-over are satisfied (refer below), the NewSat Shareholder may be eligible for tax relief upon the disposal of their NewSat Shares under the scrip for scrip roll-over provisions.

Scrip for scrip roll-over enables a shareholder to disregard a capital gain they make from a share that is disposed of as part of a corporate takeover or merger if the shareholder receives in exchange for their original share a 'replacement share'. The capital gain is disregarded completely if the only capital proceeds the shareholder receives is a replacement share.

In order to be eligible for the roll-over relief, it is a requirement that there be sufficient acceptance of the Share Offer by NewSat Shareholders such that EWC becomes the owner of at least 80% of the voting shares in NewSat. Given that there is a minimum acceptance

condition of 50.1% attached to the Share Offer, this requirement is possibly not likely to be satisfied. There are a number of other pre-conditions which need to be satisfied for roll-over relief to be available to a NewSat shareholder – each shareholder should seek their own independent advice on this question.

An election to obtain roll-over relief must generally be made before the lodgement of the income tax return for the year in which the disposal of NewSat Shares occurs. The exclusion of the capital gain, in respect of which roll-over relief is obtained, from a shareholder's tax return is regarded as sufficient evidence of the making of the election.

Special rules may apply if a NewSat Shareholder together with its associates, holds 30% or more of the voting, dividend or capital distribution rights of NewSat immediately before the commencement of the Offer Period. Such NewSat Shareholders should seek separate advice on this issue. Further, the scrip for scrip rollover provisions do not apply where a NewSat Shareholder realises a capital loss on acceptance of the Offer.

**(b) NewSat Shares acquired or deemed to have been acquired before 20 September 1985**

NewSat Shareholders who have acquired, or are deemed to have acquired, their NewSat Shares before 20 September 1985 should not be subject to Australian capital gains tax in respect of their disposal of those shares.

However, the EWC Shares received in consequence of the acceptance of the Offer shall be treated as having been acquired on the date of the issue of those shares and will therefore be "Post-CGT" assets. In other words, the "Pre-CGT" status of the NewSat Shares will not be carried over to the EWC Shares issued pursuant to this Offer.

**(c) Shares held on revenue account**

NewSat Shareholders who acquired their NewSat Shares with the dominant purpose of reselling them at a profit are likely to be considered to hold their NewSat Shares on revenue account for tax purposes.

Where this is the case, any gain or loss realised on disposal of the NewSat Shares (determined based on the market value of EWC Shares and the cash consideration provided) will be assessed as ordinary income or claimed as a revenue deduction. The scrip for scrip rollover relief provisions will have no application.

**(d) Shares held as trading stock**

NewSat Shareholders, who are engaged in the business of share trading, whereby they regularly acquire shares and hold them with a view to making short-term profits through sale or exchange in the ordinary course of carrying on a business, are likely to be considered to hold the NewSat Shares as trading stock.

Where this is the case, partial scrip for scrip rollover relief will not be available on acceptance of the Offer. Any proceeds received from the sale arising from the Offer (being the market

value of the EWC Shares and the cash consideration provided) will be included in assessable income of the shareholder.

**(e) Ownership and disposal of EWC Shares**

If the holders of NewSat Shares have any questions about the financial or taxation aspects of holding or disposing of EWC Shares, then they should consult a suitably qualified adviser, prior to making a decision whether or not to accept the Offer for their NewSat Shares.

Subject to paragraph (b) above, the Australian income tax and capital gains tax consequences of ownership of EWC Shares will broadly be the same as those consequences of ownership of NewSat Shares. Similarly, the disposal of shares in EWC will be subject to the same Australian capital gains tax consequences as are described above in relation to the disposal of NewSat Shares, subject to the following differences in the case of a NewSat Shareholder who makes a valid election for partial scrip for scrip rollover relief to apply in relation to the exchange of NewSat Shares for shares in EWC.

When a NewSat Shareholder is eligible for partial scrip for scrip rollover relief, and makes an election for it to apply, then:

(a) for the purposes of determining whether the EWC Shares issued under this Offer have been held for at least 12 months, and therefore potentially eligible for a Discount Capital Gain on any subsequent disposal of the EWC Shares issued under this Offer, those shares will be taken to have been acquired at the time the NewSat Shares were originally acquired; and

Where partial scrip for scrip rollover relief did not apply to the disposal of NewSat Shares, the total cost base of the EWC Shares issued under this Offer will generally be equal to the consideration given to acquire them. This will broadly equate to the value of the NewSat Shares on the date on which a NewSat Shareholder accepts the Offer or on the date on which the contract created by acceptance of the Offer becomes unconditional, less the amount of any cash received under the offer for those shares.

Australian resident NewSat Shareholders who have acquired their NewSat Shares before 20 September 1985 and therefore are not subject to capital gains tax in respect of their disposal of NewSat Shares, shall nevertheless be subject to the capital gains tax provisions at the time of any subsequent disposal of the EWC Shares issued pursuant to this Offer. For these purposes, the EWC Shares issued pursuant to this Offer will have a cost base determined by reference to the last sale price of the EWC Shares on the date of issue.

**8.3 GST Considerations**

NewSat Shareholders who accept the Offer and who are registered, or required to be registered for GST will also need to consider whether there is a GST impact to them.

A supply of shares is an input taxed (exempt) supply for GST purposes.

Consequently, the disposal of shares by NewSat Shareholders to EWC will not give rise to any GST liability.

However, any GST on costs associated with the sale or acquisition of shares may become a cost to the NewSat Shareholders. This is because GST incurred on costs that relate to the making of input taxed supplies is not generally recoverable as input tax credits. However, any impact will be dependant upon the level of costs associated with the sale and the individual NewSat Shareholder's own GST status.

As special rules exist which may reduce partially or possibly in full, input tax credits in certain circumstances, each NewSat Shareholder should obtain their own advice.

## 9. SECTION 9 – TERMS OF OFFER

### **9.1 General Terms**

- (a) EWC offers to acquire all of your NewSat Shares on the terms and conditions of this Offer.
- (b) This Offer relates to:
  - (i) all NewSat Shares which exist as at the offer record date.
- (c) This Offer extends to the NewSat Options. EWC has agreed to grant to NewSat Optionholders one (1) new EWC share for every twenty five (25) NewSat Options held in consideration that the NewSat Optionholder waives all rights in respect of the NewSat Options.
- (d) If necessary, the number of your NewSat Shares to which this Offer relates will be rounded up to the next nearest whole number.
- (e) The consideration being offered by EWC for the acquisition of all of your NewSat Shares is one (1) EWC Share for every twenty nine (29) NewSat Shares that you own.
- (f) If you accept this Offer, EWC is also entitled to any Rights in respect of your NewSat Shares.
- (g) Except as provided in Section 9.7(a), if you wish to accept this Offer and receive EWC Shares for your NewSat Shares and you are not resident in the Commonwealth of Australia or your acceptance is for any reason governed by a Foreign Law, then you must comply with any relevant Foreign Law. It is your sole responsibility to satisfy yourself as to full compliance with the Foreign Law and any other necessary formality and to obtain any necessary governmental or other consents.

This Offer is not registered in any jurisdiction outside Australia. If you are subject to a Foreign Law which you believe precludes you from receiving EWC Shares, then you may, if permitted by the Foreign Law, accept this Offer and by so indicating in the appropriate place on the Acceptance Form, require EWC to deal with your acceptance and any EWC Shares to which you would otherwise be entitled as a result of that acceptance in the same way as an acceptance of this Offer to which Section 9.7(a) applies.
- (h) The EWC Shares to be issued pursuant to this Offer will, from their date of issue, rank equally in all respects with existing EWC Shares currently on issue.
- (i) The rights and obligations of the EWC Shares are set out in Section 10.6 of the Bidder's Statement.

### **9.2 Offer Period**

Unless withdrawn, this Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 7:00pm (Sydney time) on [TBC], subject to any extension of that period pursuant to Section 650C of the Corporations Act.

### **9.3 Who May Accept**

- (a) This Offer is being made to each holder of NewSat Shares
- (b) A person who:
  - (i) is able during the Offer Period to give good title to a parcel of NewSat Shares; and
  - (ii) has not already accepted this Offer which relates to those NewSat Shares, may accept as if an Offer from EWC on terms identical with this Offer had been made to that person in relation to those NewSat Shares.
- (c) If at any time during the Offer Period and before this Offer is accepted you hold your NewSat Shares in two or more distinct portions (for example, as trustee, nominee or otherwise on account of another person) within the meaning of Section 653B of the Corporations Act, then:
  - (i) this Offer is deemed to consist of a separate corresponding Offer to you in relation to each distinct portion of your NewSat Shares;
  - (ii) to accept any of those corresponding Offers, you must specify by written notice to EWC that your NewSat Shares consist of distinct portions and the number of the NewSat Shares to which the acceptance relates; and
  - (iii) otherwise Section 653B of the Corporations Act applies to this Offer in respect of your NewSat Shares and any acceptance of this Offer by you.

### **9.4 How to Accept this Offer**

- (a) You may only accept this Offer in respect of 100% (and not a lesser proportion) of your NewSat Shares. For example, if you have 10,000 NewSat Shares and you wish to accept the Offer, you may only accept this Offer in respect of 10,000 NewSat Shares.
- (b) You may only accept this Offer during the Offer Period.
- (c) The method by which you can accept this Offer will depend on whether your NewSat Shares are in an Issuer Sponsored Holding or a CHESS Holding. Your NewSat Shares are in an Issuer Sponsored Holding if they are sponsored directly by NewSat as issuer. Your NewSat Shares are in a CHESS Holding if they are sponsored by a Broker or other CHESS participant or if you are a Broker or Non-Broker Participant.
- (d) **Issuer Sponsored Holdings:** If your NewSat Shares are held on NewSat's issuer sponsored subregister when you accept, you must:
  - (i) complete and sign the Acceptance Form in accordance with the instructions on the Acceptance Form; and
  - (ii) ensure that the Acceptance Form together with all other documents required by the instructions on it (including the certificates in respect of any of your NewSat Shares which are certificated) are received at the following address before the end of the Offer Period:

Computershare Investor Services Pty Limited  
GPO Box 2115  
Melbourne VIC 2001

- (e) **CHESS Holdings:** If your NewSat Shares are in a CHESS Holding when you accept this Offer, you must comply with the ASTC Settlement Rules. Accordingly, to accept this Offer in respect of your NewSat Shares, you should:

- (i) instruct your Controlling Participant to initiate acceptance of this Offer in accordance with Rule 14.4 of the ASTC Settlement Rules before the end of the Offer Period. For non institutional shareholders, your "Controlling Participant" will normally be the stockbroker through whom you either bought your NewSat Shares or through whom you ordinarily acquire shares on ASX; or
- (ii) if you are a Broker or a Non-Broker Participant (i.e. CHESS participants who are not brokers eg institutions, custodian, trustees), initiate acceptance of this Offer in accordance with Rule 14.4 of the ASTC Settlement Rules before the end of the Offer Period.

Alternatively, you may sign and complete the accompanying Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form and ensure that it is received before the expiry of the Offer Period at the address specified in Section 9.4(d). In that case, you will be deemed to have authorized Computershare Investor Services Pty Limited to forward your instructions to your Controlling Participant, who will then accept this Offer on your behalf during the Offer Period in accordance with the ASTC Settlement Rules and the Corporations Act.

CHESS holders should note that acceptance of the Offer will not be effected until it is received by their Controlling Participant and processed by them electronically through CHESS.

- (f) The return of the Acceptance Form to Computershare Investor Services Pty Limited by facsimile does not satisfy the requirements of Sections 9.4(d) or 9.4(e).
- (g) Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you, subject to Section 650E of the Corporations Act.
- (h) EWC may, in its sole discretion, at any time deem any Acceptance Form it receives to be a valid acceptance in respect of your NewSat Shares even if a requirement for acceptance has not been complied with.

#### **9.5 The Effect of Acceptance**

- (a) By following the procedures described in Sections 9.4(c), 9.4(d) and 9.4(e), you will be deemed to have:

- (i) accepted this Offer in respect of the NewSat Shares registered in your name to which this Offer relates (Purchased Shares), regardless of the number of NewSat Shares specified in the Acceptance Form (subject however to Sections 9.3(b) and 9.3(c));
- (ii) agreed to transfer your Purchased Shares to EWC;
- (iii) agreed to accept the consideration being offered by EWC and agreed to be bound by the Constitution of EWC;
- (iv) authorised EWC to complete the Acceptance Form by correcting any errors in or omissions from the Acceptance Form as may be necessary:
  - (A) to make the Acceptance Form an effective acceptance of this Offer; and/or
  - (B) to enable registration of the transfer to EWC of your Purchased Shares;
- (v) irrevocably authorised and directed NewSat to pay to EWC or to account to EWC for all dividends and other distributions and entitlements which are declared, paid or which arise or accrue after the date of this Offer in respect of your Purchased Shares which EWC acquires pursuant to this Offer (subject to EWC accounting to you for any dividends, distributions or entitlements received by it if your acceptance of this Offer is validly withdrawn pursuant to Section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);
- (vi) represented and warranted to EWC that EWC will acquire good title to and beneficial ownership of all of your Purchased Shares free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and other third party interests of any kind;
- (vii) unless you are a foreign shareholder (as that expression is defined in Section 9.7(a)), agreed to accept the EWC Shares to which you become entitled by accepting this Offer and the terms of issue of the EWC Shares and to have authorised EWC to place your name on its register of shareholders as the holder of your respective portion of EWC Shares;
- (viii) represented and warranted to EWC that the making by EWC to you, and your acceptance, of this Offer is lawful under any Foreign Law which applies to you, to the making of this Offer, and to your acceptance of this Offer;
- (ix) agreed to indemnify EWC fully in respect of any claim, demand, action, suit or proceeding made or brought against EWC and any loss, cost, expense, damage or liability whatsoever suffered or incurred by EWC as a result of EWC not receiving from you any certificate(s) for your Purchased Shares;
- (x) appointed EWC or any nominee of EWC as your agent and attorney to exercise all the powers and Rights attaching to your Purchased Shares and have agreed not to revoke that appointment during the period (Proxy Period) between the date of your acceptance of this Offer and the earlier of:

- (A) the date on which EWC is registered as the holder of your Purchased Shares;
  - (B) the date on which your acceptance is validly withdrawn pursuant to Section 650E of the Corporations Act; or
  - (C) the date on which the contract resulting from your acceptance becomes void under Section 650G of the Corporations Act;
- (xi) agreed that in exercising the powers conferred by the power of attorney in Section 9.5(a)(x) above, EWC or its nominee is entitled to act in the interests of EWC;
  - (xii) authorised EWC, as your agent and attorney, and in your name and on your behalf, to execute, at any time after your acceptance of this Offer, all forms, notices and instruments in respect of your Purchased Shares, and to have agreed not to revoke that authority during the Proxy Period;
  - (xiii) if NewSat makes any offer for the issue of any securities in NewSat to you between the period commencing on 3 September, 2009 (being the date of announcement of the Takeover Bid) (Additional NewSat Securities) and expiring at the end of the Offer Period, irrevocably appointed EWC and its directors from time to time jointly and severally as your attorney in your name and on your behalf, with effect from the date that the Offer, or any contract resulting from your acceptance of the Offer, becomes unconditional, to execute all such instruments as EWC may require including, without limitation, the rights to:
    - (A) receive, on your behalf, any offer made by NewSat for the issue of Additional NewSat Securities;
    - (B) accept, on your behalf, any offer made by NewSat for the issue of Additional NewSat Securities by:
      - (I) completing any application form for the issue of the Additional NewSat Securities in your name; and
      - (II) remitting the subscription monies to NewSat in payment for the Additional NewSat Securities the subject of the offer; and
    - (C) execute all forms, transfers, assignments, notices, instruments, consents and agreements as may be required for the purpose of vesting in EWC the Additional NewSat Securities in satisfaction of the loan that will arise as a result of EWC remitting the subscription monies to NewSat in accordance with paragraph (B)(II) above;

and to have agreed that in exercising the powers conferred by that power of attorney, the attorney shall be entitled to act in the interests of EWC as the beneficial owner and intended registered holder of your NewSat Shares in respect of which you have accepted this Offer and to have further agreed to do all such acts, matters and things that EWC may require to give effect to the matters the subject of this paragraph (including the execution of a written form of application for the Additional NewSat Securities to the same effect as

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this paragraph which complies in all respects with the requirements of the Constitution of NewSat) if requested by EWC; and

- (xiv) irrevocably appointed EWC and its directors from time to time jointly and severally as your attorney in your name and on your behalf, with effect from the date that the Offer, or any contract resulting from your acceptance of the Offer, becomes unconditional to exercise all powers and Rights which you may have as the holder of your NewSat Shares including, without limitation, the rights to:
- (A) attend and vote in respect of your NewSat Shares at any and all meetings of NewSat;
  - (B) requisition or join with other holders of NewSat Shares in requisitioning and/or convening a meeting of the members of NewSat;
  - (C) demand a poll for any vote to be taken at any meeting of NewSat Shareholders;
  - (D) propose or second any resolutions to be considered at any, and all meetings of NewSat Shareholders;
  - (E) execute all forms, transfers, assignments, notices, instruments (including instruments appointing a director of EWC as a proxy in respect of all or any of your NewSat Shares and a transfer form for your NewSat Shares), proxies, consents, agreements and resolutions relating to your NewSat Shares;
  - (F) request NewSat to register in the name of EWC or its nominee your NewSat Shares which you hold on any register of NewSat,

and to have agreed that in exercising the powers conferred by that power of attorney, the attorney shall be entitled to act in the interests of EWC as the beneficial owner and intended registered holder of your NewSat Shares in respect of which you have accepted this Offer and to have further agreed to do all such acts, matters and things that EWC may require to give effect to the matters the subject of this paragraph (including the execution of a written form of proxy to the same effect as this paragraph which complies in all respects with the requirements of the Constitution of NewSat) if requested by EWC.

- (b) EWC may at any time in its absolute discretion:
- (i) treat the receipt by it of an Acceptance Form during the Offer Period (or in an envelope post-marked before the expiry of the Offer Period) as a valid acceptance notwithstanding that one or more of the other requirements for a valid acceptance have not been complied with; and
  - (ii) where you have satisfied the requirements for acceptance in respect of only some of your Purchased Shares, treat the acceptance as a valid acceptance in respect of all of your Purchased Shares.

In respect of any part of an acceptance treated by it as valid, EWC will provide you with the relevant consideration in accordance with Section 9.6(a), and the exercise of EWC's rights under this Section 9.5(a)(i) will be conclusively and only evidenced by its so doing. This Section is not a condition of this Offer.

#### **9.6 EWC's Obligations in respect of NewSat Shares Acquired**

- (a) Subject to this Offer, EWC will endeavour to provide the consideration for your NewSat Shares as soon as is practicable and in any event on or before the earlier of one month after this Offer (or the contract resulting from its acceptance) becomes unconditional, and (assuming the Offer becomes or is declared unconditional) not later than 21 days after the end of the Offer Period.
- (b) Subject to Section 9.7, a holding statement for the EWC Shares to which you become entitled by accepting this Offer will be sent by pre-paid mail (airmail in the case of overseas NewSat Shareholders) to your address as shown on the Acceptance Form.
- (c) If at the time of acceptance of this Offer you are resident in, or a resident of, a place outside Australia, you will not be entitled to receive any consideration pursuant to that acceptance until you obtain all requisite authorities or clearances (if any) of the Reserve Bank of Australia (whether under the Banking (Foreign Exchange) Regulations or otherwise) or the Australian Taxation Office.
- (d) Where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
  - (i) if that document is given with your acceptance, EWC will provide the consideration in accordance with Section 9.6(a);
  - (ii) if that document is given after acceptance and before the end of the Offer Period while this Offer is subject to a defeating condition, EWC will provide the consideration by the end of whichever of the following periods ends earlier:
    - (A) within one month after this Offer becomes unconditional; or
    - (B) 21 days after the end of the Offer Period;
  - (iii) if that document is given after acceptance and before the end of the Offer Period while this Offer is not subject to a defeating condition, EWC will provide the consideration by the end of whichever of the following periods ends earlier:
    - (A) one month after that document is given; or
    - (B) 21 days after the end of the Offer Period; and
  - (iv) if that document is given after the end of the Offer Period, EWC will provide the consideration within 21 days after that document is given.

### **9.7 Foreign Shareholders**

- (a) If you are (or are acting on behalf of) a resident in, or a resident of, a place outside Australia, you will be a foreign shareholder for the purposes of Section 9.7.
- (b) If you are a foreign shareholder (as that expression is defined in Section 9.7(a)), and you accept this Offer, EWC will:
- (i) arrange for the issue to a nominee approved by the ASIC of the number of EWC Shares to which you and all other foreign shareholders would have been entitled but for Section 9.7(a);
  - (ii) cause those EWC Shares to be offered for sale in such manner, at such price and on such other terms and conditions as are approved by the nominee; and
  - (ii) pay to you the amount ascertained in accordance with the following formula:

$$\text{Net Proceeds of Sale} \times \frac{\text{NAS}}{\text{TAS}}$$

Where:

- (A) **Net Proceeds of Sale** is the amount remaining after deducting the expenses of the sale from the proceeds of sale;
- (B) **NAS** is the number of EWC Shares which would, but for Section 9.7(a), have been allotted and issued to you; and
- (C) **TAS** is the total number of EWC Shares allotted and issued to the nominee under this Section in respect of the NewSat Shares held by all foreign shareholders.

### **9.8 Withdrawal of Offer**

EWC may withdraw this Offer at any time before you accept it, but only with the consent in writing of the ASIC (which consent may be given subject to such conditions, if any, as are imposed by the ASIC).

### **9.9 Variation**

EWC may vary this Offer in accordance with Section 650D of the Corporations Act.

### **9.10 EWC's relevant interest in NewSat Shares**

At the date of the Bidder's Statement, there are 6,794,444,000 NewSat Shares on issue. As at the date of this Bidder's Statement and immediately before this Offer was sent, EWC and its associates didn't have a relevant interest in NewSat Shares.

**9.11 No stamp duty or other costs**

All costs and expenses of the preparation, dispatch and circulation of this Offer and any stamp duty payable in respect of the transfers will be paid by EWC. No brokerage is payable by you if you accept this Offer.

**9.12 Governing Law**

This Offer and any contract that results from your acceptance of this Offer are governed by the laws in force in the State of Victoria, Australia.

**9.13 Date of Offer**

This Offer is dated [TBC].

## **10. SECTION 10 - OTHER INFORMATION**

### **10.1 EWC's Interest in NewSat**

As at the date of this Bidder's Statement, EWC does not hold any NewSat Shares. Dr. Matthew Starr's wife (who is not an associate of EWC) has independent beneficial ownership in 35,000,000 NewSat Shares. EWC has no voting power in NewSat.

### **10.2 Acquisitions of NewSat Securities by EWC and its Associates during the last 4 Months**

Neither EWC nor an associate provided, or agreed to provide, consideration for a security in NewSat under a purchase or agreement during the four months before the date of this Bidder's Statement.

### **10.3 Collateral Benefits**

During the period of 4 months before the date of this Bidder's Statement, neither EWC nor any associate of EWC gave, or offered to give or agreed to give, a benefit to another person that was likely to induce the other person, or an associate of that person, to:

- (a) accept the Offer; or
- (b) dispose of their NewSat Shares,

and which is not offered to all holders of NewSat Shares under the Takeover Offers.

### **10.4 Further details to be included in the Offer**

The expiry date of the Offer will be inserted into Section 9.2 of this Bidder's Statement (which contains details of the Offer). Each Offer will bear the same date, being a date that is not more than 3 days before the date on which the Offer is dispatched to NewSat Shareholders.

### **10.5 EWC is NOT currently a Disclosing Entity**

Due to the fact that EWC is offering EWC Shares as consideration for the acquisition of NewSat Shares, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of EWC Shares under Sections 710 to 713 of the Corporations Act.

**EWC has applied to ASIC to become a Public Company and the outcome of this application is expected to be known on 9 November 2009.** Information that is already in the public domain has not been reported in this Bidder's Statement other than that which is considered necessary to make this Bidder's Statement complete.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

## **10.6 Information about EWC Shares**

The EWC Shares to be issued pursuant to the Takeover Offer will, from their date of issue, rank equally in all respects with existing EWC Shares on issue. The rights attaching to the Shares arise from a combination of EWC's Constitution, statute and general law. A summary of the rights attaching to the EWC Shares is set out below:

### ***(a) Share Capital***

The share capital in EWC consists of ordinary shares. All existing issued EWC Shares are of the same class and rank equally in all respects.

### ***(b) General Meetings***

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of EWC. Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of EWC.

### ***(c) Voting Rights***

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

### ***(d) Dividend Rights***

The Directors may from time to time declare a dividend to be paid to shareholders entitled to the dividend. The dividend shall (subject to Clause 83.3 of EWC's Constitution and to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividends) be payable on all shares in accordance with the Corporations Act.

The Directors may from time to time pay to the shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of EWC shall be conclusive. No dividend shall carry interest as against EWC.

(e) Winding-Up

If EWC is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of EWC, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(f) Transfer of Shares

Generally, shares in EWC are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act. EWC is not a listed company.

(g) Changes to Capital Structure

EWC may by ordinary resolution and subject to the Corporations Act and the Listing Rules alter its capital in any manner permitted by law and may in particular:

- (i) increase its share capital by the issue of new shares of such amount as is specified in a resolution;
- (ii) accept a surrender of EWC Shares; and
- (iii) cancel shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or have been forfeited and reduce its share capital by the amount of the shares so cancelled.

(h) Variation of Rights

Pursuant to Section 246B of the Corporations Act, EWC may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not EWC is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) Buy Back

EWC may buy shares in itself in accordance with the Corporations Act on the terms and at the times determined by the Board.

**10.7 Risk Factors**

NewSat Shareholders should read the Bidder's Statement carefully and consult their professional advisers before deciding whether to accept the Takeover Offer. By accepting the Takeover Offer, NewSat Shareholders will be investing in EWC.

The principal risk factors associated with EWC's existing business include, but are not limited to, the following:

**General Risk Factors**

(a) General Economic Conditions

Changes in the general economic climate in which EWC operates may adversely affect the financial performance of EWC. Factors, which may contribute to that general economic climate, include the level of direct and indirect competition against EWC, industrial disruption in Australia, the rate of growth of Australia's gross domestic product, interest rates and the rate of inflation.

(b) Additional Capital

While the directors believe that EWC has sufficient funds to fund its activities, there can be no assurance that EWC will not seek to exploit business opportunities of a kind which will require it to raise additional capital from equity or debt sources. There can also be no assurance that EWC will be able to raise such capital on favourable terms or at all.

Any additional equity raising may dilute the interest of EWC's shareholders, and any debt financing, if available, may involve financial covenants which limit EWC's operations. If EWC is unable to obtain such additional capital, EWC may be required to reduce the scope of any expansion, which could adversely affect its business, operating results and financial condition.

(c) Industry Risks

EWC's current and future potential competitors include companies with substantially greater resources than it. There is no assurance that competitors will not succeed in developing products that are more effective or economic than the current products or any of those being developed by EWC or which would render the products obsolete and/or otherwise uncompetitive. In addition, EWC may not be able to compete successfully against current or future competitors where aggressive pricing policies are employed to capture market share. Such competition could result in price reductions, reduced gross margins and loss of market share, any of which could materially adversely affect EWC's future business, operating results and financial position.

(d) Probability of Achieving Connects

EWC's most important task is to achieve sufficient commercialisation of its products through new customers signing up for the telecommunications services offered by EWC (Connects). The probability of EWC achieving sufficient Connects depends on the organisation as a whole. Failure to achieve a sufficient number of Connects could have a material adverse effect on EWC and its prospects.

(e) Technology Risks

EWC's products rely on the technology infrastructure of the network provider. If this infrastructure, such as the rate of data transfer or the quality of bandwidth, is not upgraded with technological advancements or becomes redundant, this may impact on the revenues generated by EWC if customers prefer the products of competitors.

(f) Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by EWC or by investors in EWC. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of EWC and the value of the EWC Shares offered under this Offer. Therefore, the EWC Shares offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the EWC Shares. Potential investors should consider that the investment in EWC is speculative and should consult their professional advisers before deciding whether to accept this Offer.

(g) Integration Risk

EWC expects that value can be added for shareholders of the Merged Entity by the efficient, timely and cost effective integration of the businesses. However, a risk exists that any integration may take longer than expected, and/or the quantum of synergies and efficiencies achieved is less than expected. A failure to achieve integration in a timely manner or to achieve some or all of the synergies and efficiencies may have an adverse impact on the financial performance of the Merged Entity and therefore the value of EWC Shares.

#### **10.8 Significant Events Occurring After the Takeover Offer Date**

On 3 September 2009, EWC announced its intention to make an off-market scrip for scrip takeover offer for all the issued shares of NewSat.

A Statutory Demand was issued by CBA to recover an alleged debt owing by EWC for bank fees accruing due to a defect in an automated processing system between EWC and CBA. The circumstances of the processing transactions are very complex in nature and go to the core of EWC's business.

The Statutory Demand was set aside by consent on 23 September 2009 prior to a hearing in the Federal Court. However there is still a genuine dispute between EWC and CBA as to the alleged debt to be owing to CBA and also to the circumstances giving rise to the alleged debt. EWC intends making a counter claim relating to services provided by CBA.

Unfortunately, EWC's dispute with CBA affects EWC's core business and given the complexity of the dispute, the matter won't be resolved by the date EWC would otherwise be required to issue its Bidder's Statement.

As a result, EWC sought relief from ASIC under section 655A(1)(a) of the Corporations Act 2001 (Cth) for an exemption from Chapter 6 of the Act to exempt EWC from the obligation to make an offer for securities under a takeover bid under section 631(1) of the Act.

The relief sought was to exempt EWC from application of section 631(1) of the Act by removing the obligation to make offers for the securities under a takeover bid.

EWC sought relief from ASIC because:-

1. there is a complex dispute between EWC and CBA, the outcome of which is unclear at this time. Therefore at this time, EWC's business structure and commercial position is uncertain.
2. as a result of the circumstances surrounding EWC, which arose after its initial announcement, the value proposition which EWC intended to offer to NewSat shareholders would be confronted with considerable uncertainty were they to receive the offer.
3. this dispute with CBA could conceivably have a significant positive or negative impact on EWC, depending on the outcome of the dispute. Given the wide range of outcome, the complexity of the dispute and its impact on the relationship with CBA, it was submitted that it would be highly undesirable to allow the bid to proceed based on the Eggleston principles in section 602 of the Act.
4. Under section 670F of the Act, EWC could not reasonably be expected to comply with its obligation to make an offer, as there had been a significant change in circumstances that was not caused by EWC. There would be a significant change in EWC's commercial circumstances and therefore it was unreasonable for EWC to proceed with the bid.
5. requiring EWC to proceed with the bid would be inconsistent with the policy of the Eggleston Principles, which seek to protect target shareholders' interests by enabling them to make an informed judgement on the merits of the bid. Because EWC's commercial and financial position remains uncertain, due to circumstances outside its control, NewSat shareholders will not be in a position to make an informed judgement on EWC's value proposition.

In addition to the above matter, as a result of CBA deducting \$2,635,296.91 of funds in EWC's bank accounts held on deposit with the Bank, and other matters, EWC has nearly finalized with its lawyers, a claim against CBA which will soon be submitted to the Court, and which is then expected to be heard in either the Federal Court or Supreme Court.

EWC has applied to ASIC to become a Public Company, the Application has been Gazetted, and the outcome of this application will be known on 9 November 2009.

### **10.9 Fees and benefits payable to Directors and Advisers**

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (a) director or proposed director of EWC;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- (c) promoter of EWC; or
- (d) broker or underwriter in relation to the Issue, has, or had within 2 years before the date of this Bidder's Statement, any interest in:
- (e) the formation or promotion of EWC;
- (f) any property acquired or proposed to be acquired by EWC in connection with its formation or promotion or in connection with the Issue; or
- (g) the issue of EWC Shares under this Bidder's Statement, and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons as an inducement to become, or to qualify as, a director or expert of EWC or otherwise for services rendered by him in connection with the formation or promotion of EWC or the issue of EWC Shares under this Bidder's Statement.

The directors of EWC have the following interests in EWC securities (either held directly, held by entities controlled by them or held by entities of which they are directors):

<u>Director</u>	<u>EWC Shares</u>	<u>Date</u>
Jerome Cle	3	12/10/2006

### **10.10 Consents**

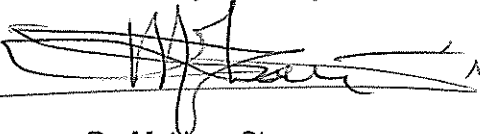
Computershare Investor Services Pty Limited, Armstrong Partners Pty Ltd, Money Express Pty Ltd, Quilite Inc. have given, and have not at the date of this Bidder's Statement withdrawn, their written consent to being named in this Bidder's Statement in the form and context in which it is named.

The parties referred to in this Section do not make any statement in this Bidder's Statement, nor is any statement in it based on any statement made by these parties. To the maximum extent permitted by law, these parties expressly disclaim and take no responsibility for any material in, or omission from, this Bidder's Statement other than as set out in this Section.

**10.11 Date for Determining Holders**

For the purposes of Section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under Items 6 and 12 of Section 633(1) of the Corporations Act is the date after this Bidder's Statement has been provided to NewSat. The date of this Bidder's Statement is TBC and was approved pursuant to a resolution passed unanimously at a meeting of directors of EWC.

Signed for and on behalf of  
EWC Payments Pty Ltd

A handwritten signature in black ink, appearing to read 'Dr. Matthew Starr', is written over a horizontal line.

Dr. Matthew Starr  
Director

## 11. SECTION 11 – DEFINITIONS AND INTERPRETATION

### 11.1 In this Bidder's Statement (including its annexures), unless the context otherwise requires:

**Acceptance Form** means the form of Acceptance Form enclosed with this Bidder's Statement.

**Announcements** means the announcements made by EWC to ASX set out in Annexure "A".

**ASIC** means the Australian Securities and Investments Commission.

**ASTC** means ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532), the body which administers the CHESS system.

**ASTC Settlement Rules** means the business rules of ASTC.

**ASX** means ASX Limited (ABN 98 008 624 691).

**ATO** means Australian Taxation Office

**Bid Period** has the meaning given to that term in the Corporations Act.

**Bidder's Statement** means this Bidder's Statement.

**Broker** means a person who is a sharebroker and a participant under the ASTC Settlement Rules.

**CHESS Holding** has the meaning given to that term in the ASTC Settlement Rules.

**CHESS** means the Clearing House Electronic Subregister System which provides for electronic share transfers in Australia.

**EWC or Company** means EWC Payments Pty Ltd (ABN 51 122 161 737).

**EWC Share** means a fully paid ordinary share in EWC.

**Closing Date** means the closing date for Acceptances

**Controlling Participant** means a Broker or Non-Broker Participant who is designated as the controlling participant for shares in a CHESS Holding in accordance with the ASTC Settlement Rules.

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

**Directors** means the directors of EWC.

**Discount Capital Gain** means generally a capital gain derived by an individual, trust or complying superannuation fund from the disposal of an asset that has been held for at least 12 months. For individuals and trusts the amount of the discount capital gain they may need to include in assessable income is 50% of the net capital gain after applying current and prior year capital losses. For superannuation funds only two-thirds of the discount capital gain may need to be included in assessable income after applying current and prior year capital losses.

**Foreign Law** means a law of a jurisdiction other than Australia.

**Issue** means the issue of EWC Shares pursuant to the Takeover Offers.

**Issuer Sponsored Holding** means a holding of NewSat Shares on NewSat's issuer sponsored subregister.

**Listing Rules** means the Official Listing Rules of ASX, as amended from time to time.

**Management Fees** means monies paid by EWC to its parent company

**Merged Entity** means EWC and its subsidiaries following the acquisition by EWC of all, or a majority of the NewSat Shares.

**Non-Broker Participant** means a non-broker participant under the ASTC Settlement Rules.

**Offer Period** means the period referred to in Section 9.2, during which the Offers will remain open for acceptance.

**Offer or Takeover Offer** means the offer, referred to in Section 2 to be made by EWC to acquire NewSat Shares on the terms and conditions set out in Section 9.

**Official List** means the official list of entities that ASX has admitted and not removed.

**Official Quotation** means official quotation on ASX.

**Rights** means all accretions to and rights attaching to the relevant NewSat Share at or after the date of this Bidder's Statement (including, but not limited to, all dividends and all rights to receive dividends and to receive or subscribe for shares, stock units, notes or options declared, paid, or issued by NewSat).

**Shareholders** means a holder of EWC Shares who is able to accept this offer.

**NewSat** means NewSat Limited (ABN 12 003 237 303).

**NewSat Option** means an option to subscribe for a NewSat Share with an exercise price and an expiry date as set out in Section 5.5 of this Bidder's Statement.

**NewSat Optionholder** means a holder of NewSat Options.

**Newsat Response** means Newsat's Response to this Bidder's Statement

**NewSat Share** means a fully paid ordinary share in NewSat, and all Rights attaching to that share.

**NewSat Shareholder** means a holder of NewSat Shares who is able to accept the Offer.

**Takeover Bid** means EWC's takeover bid for NewSat by making the Offer.

**EST** means Australian Eastern Standard Time.

**\$** means Australian dollars.

**11.2 Words and phrases have the same meaning (if any) as is given to them by the Corporations Act.**

**11.3 Words importing one gender include the other genders.**

**11.4 Words (including defined terms) importing the plural include the singular and vice versa.**

**11.5 A reference to a person includes a reference to a corporation.**

**11.6 Headings are for ease of reference only and do not affect the interpretation of this Bidder's Statement.**

**11.7 References to Sections are to sections of this Bidder's Statement.**

**11.8 Annexures and appendices to this Bidder's Statement form part of the Bidder's Statement.**

**11.9 All references to time in this Bidder's Statement are to Australian Eastern Standard Time (EST).**

## ANNEXURE "A"

Date	Headline	Pages	PDF
29/10/2009	Takeover update	1	<a href="#">PDF</a> -
29/09/2009	NewSat Ltd Takeover - Supplementary Information	3	<a href="#">PDF</a> -
03/09/2009	EWC Statement: Takeover Announcement	1	<a href="#">PDF</a> -
03/09/2009	Takeover Announcement by EWC Payments Pty Ltd	3	<a href="#">PDF</a> -

## ANNEXURE "B"

Date	Headline	Pages	PDF
29/10/2009	Notice of Annual General Meeting	10	<a href="#">PDF</a> -
27/10/2009	Annual Report to shareholders	72	<a href="#">PDF</a> -
19/10/2009	Financial Year 2010 - First Quarter Report to the Market	1	<a href="#">PDF</a> -
16/10/2009	TOV: NewSat Ltd - Declines to Commence Proceedings / Reasons	1	<a href="#">PDF</a> -
30/09/2009	Full Year Statutory Accounts	60	<a href="#">PDF</a> -
30/09/2009	NewSat Response to EWC's Corrective Announcement	1	<a href="#">PDF</a> -
24/09/2009	NewSat presents growth for the 5th consecutive quarter	1	<a href="#">PDF</a> -
18/09/2009	TOV: NewSat Ltd - Panel Receives Application	2	<a href="#">PDF</a> -
18/09/2009	Application to Takeover Panel	1	<a href="#">PDF</a> -
15/09/2009	Appendix 3Y - Change of Director's Interest Notice	2	<a href="#">PDF</a> -
03/09/2009	Directors' Statement re Takeover	1	<a href="#">PDF</a> -
03/09/2009	FY08-09 Review and Company Update	27	<a href="#">PDF</a> -

**EWC Payments Pty Ltd**

ACN 122 161 737

☒ **IMPORTANT:** Please click checkbox if you have changed a section

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**Computershare**

Please return completed form to:

Computershare Investor Services Pty Limited  
GPO Box 52 Melbourne  
Victoria 8060 Australia  
Enquiries (within Australia) 1300 850 505  
(outside Australia) 61 3 9415 4000

MR JOHN SAMPLE  
FLAT 123  
SAMPLE STREET  
SAMPLE STREET  
SAMPLE STREET  
SAMPLETOWN VIC 3030

☐ Securityholder Reference Number (SRN)

I 1234567890 I N D

For your security keep your SRN/HIN confidential.

**Transfer and Acceptance Form - Share Offer**

☐ This personalised form can only be used in relation to the securityholding represented by the Securityholder Reference Number (SRN) or Holder Identification Number (HIN) printed above. It is an important document and requires your immediate attention. If you are in doubt about how to deal with it, please consult your financial or other professional adviser.

☐ Use this form to accept EWC's Offer for your NewSat Limited shares

**B Consideration**

☐ The consideration applicable under the terms of this offer is one (1) EWC share for every twenty (20) NWT Shares, and one (1) EWC share for every twenty (20) NWT Options held.

**Securityholder details**

Subregister

Issuer/CHESS

Your holding in NewSat Limited

123456789012

EWC Payments share  
consideration to be issued to you  
on the basis of one (1) EWC  
Payments share for every  
twenty (20) Newsat Limited  
shares/options accepted

123456789012

**C To be completed by Securityholder**

You will be deemed to have accepted the Offer in respect of all your NewSat Limited Shares if you sign and return the form. If you hold your NewSat Limited Shares in a CHESS holding (see "subregister" above), to accept the offer you can either: Instruct your Controlling Participant directly - normally your stockbroker or Authorise EWC Payments Pty Ltd to contact your Controlling Participant on your behalf, which you can do by signing and returning the form. By signing and returning the form you will be deemed to have authorised EWC Payments Pty Ltd to contact your Controlling Participant directly via the CHESS system.

**D Contact details**

Please provide your contact details in case we need to speak to you about this form.

Name of contact person

Contact person's daytime telephone number

**E Sign here - this section must be signed before we can process this form.**

I/We accept the offer made by EWC Payments Pty Ltd in respect of ordinary shares and options in Newsat Limited. I/we hold and I/we agree to be bound by the terms and conditions of the offer (including the instructions as to acceptance of the offer on the back of this form) and transfer all of my/our Newsat Limited shares or options to EWC Payments Pty Ltd for the above consideration

Individual or Securityholder 1

Sole Director and Sole Company  
Secretary

The directors reserve the right to make amendments to this form where appropriate. Please refer to the lodgement instructions overleaf.

Individual or Securityholder 2

Director

Individual or Securityholder 3

Director/Company Secretary

See back of form for completion guidelines

ASXAAASXAAA

2TKAS

&lt;Broker PID&gt;



## How to complete this form

### Acceptance of the takeover offer

#### A Registration Details

The shares/options are currently registered in the name(s) printed on this form. Your consideration will be issued in the name(s) which appear(s) on EWC Payments' copy of the Target register. If you have already sold all your Newsat Limited shares/options shown overleaf, you need not take any further action. For security reasons we suggest that you destroy this form.

#### B Consideration

The EWC Payments share consideration payable owing under the takeover offer is one (1) EWC Payments share for every twenty (20) Newsat Limited shares or options accepted.

#### C How to accept the Offer

If your Newsat Limited shares or options are held in an Issuer Sponsored Holding, simply complete and return this form to the EWC Payments Registry so that it is received by no later than 5pm, Melbourne time on 21 December 2009, unless extended.

If your Newsat Limited shares/options are in a CHESS holding, you may **contact your Controlling Participant** directly (normally your stockbroker) with instructions to accept the offer. If you do this, you will need to sign and return this Transfer and Acceptance Form to your Controlling Participant.

If you want EWC Payments to contact your Controlling Participant on your behalf via the CHESS system, sign and return this form to the EWC Payments Registry so that it is received no later than 5pm, Melbourne time on 21 December 2009 unless extended.

If you sign and return this Transfer and Acceptance Form to the Registry either in respect of an Issuer Sponsored Holding or so that contact may be made with your Controlling Participant on your behalf, you warrant to EWC Payments (and authorise EWC Payments to warrant on your behalf) that you have full legal and beneficial ownership of the Newsat Limited shares/options and that EWC Payments will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

**Neither EWC Payments or Computershare Investor Services Pty Limited ('CIS') will be responsible for any delays incurred by this process. You should allow sufficient time for the preferred party to initiate the acceptance of the offer on your behalf.**

#### D Contact details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.

#### E Signature(s)

You must sign the form as follows in the space provided:

Joint holding: where the holding is in more than one name all of the securityholders must sign.

Power of Attorney: to sign under Power of Attorney, you must attach a certified copy of the Power of Attorney to this form when you return it.

Deceased Estate: all executors must sign and, a certified copy of Probate or Letters of Administration must accompany this form.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### Lodgement of Transfer and Acceptance Form

This Transfer and Acceptance Form must be received by CIS Melbourne by no later than 5pm, Melbourne time on 21 December 2009. You should allow sufficient time for this to occur. Return this Transfer and Acceptance Form to:

Computershare Investor Services Pty Limited  
GPO Box 52  
MELBOURNE VIC 8060

Neither CIS nor the Company accepts any responsibility if you lodge the Transfer and Acceptance Form at any other address or by any other means.

### Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail [privacy@computershare.com.au](mailto:privacy@computershare.com.au)

**If you have any enquiries concerning this Takeover Offer please contact CIS on telephone <1300 850 505>.**  
Please note this form may not be used to change your address.

**Please return the completed form in the envelope provided or to the address opposite:**

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 8060  
Australia

2TKAS

ASXAAAAXAAA



#### **Attachment A: Recast of Page 45 of Bidders Statement**

(d) Probability of Achieving Connects

EWC's most important task is to achieve sufficient commercialisation of its products through new customers signing up for the telecommunications services offered by EWC (Connects). The probability of EWC achieving sufficient Connects depends on the organisation as a whole. Failure to achieve a sufficient number of Connects could have a material adverse effect on EWC and its prospects.

(e) Technology Risks

EWC's products rely on the technology infrastructure of the network provider. If this infrastructure, such as the rate of data transfer or the quality of bandwidth, is not upgraded with technological advancements or becomes redundant, this may impact on the revenues generated by EWC if customers prefer the products of competitors.

(f) Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by EWC or by investors in EWC. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of EWC and the value of the EWC Shares offered under this Offer. Therefore, the EWC Shares offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the EWC Shares. Potential investors should consider that the investment in EWC is speculative and should consult their professional advisers before deciding whether to accept this Offer.

(g) Integration Risk

EWC expects that value can be added for shareholders of the Merged Entity by the efficient, timely and cost effective integration of the businesses. However, a risk exists that any integration may take longer than expected, and/or the quantum of synergies and efficiencies achieved is less than expected. A failure to achieve integration in a timely manner or to achieve some or all of the synergies and efficiencies may have an adverse impact on the financial performance of the Merged Entity and therefore the value of EWC Shares.

#### **10.8 Significant Events Occurring After the Takeover Offer Date**

On 3 September 2009, EWC announced its intention to make an off-market scrip for scrip takeover offer for all the issued shares of NewSat.

A Statutory Demand was issued by CBA to recover an alleged debt owing by EWC for bank fees accruing due to a defect in an automated processing system between EWC and CBA. The circumstances of the processing transactions are very complex in nature and go to the core of EWC's business.

The Statutory Demand was set aside by consent on 23 October 2009 prior to a hearing in the Federal Court. However there is still a genuine dispute between EWC and CBA as to the alleged debt to be owing to CBA and also to the circumstances giving rise to the alleged debt. EWC intends making a counter claim relating to services provided by CBA.

Attachment B: Recast of Computershare Transfer and Acceptance Form

## EWC Payment Pty Ltd

ACN 122 161 737

☒ **IMPORTANT:** Please click checkbox if you have changed a section

Version: 1.0

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**Computershare**

Please return completed form to:

Computershare Investor Services Pty Limited  
GPO Box 52 Melbourne  
Victoria 8060 Australia  
Enquiries (within Australia) 1300 850 505  
(outside Australia) 61 3 9415 4000

**A**

MR JOHN SAMPLE  
FLAT 123  
SAMPLE STREET  
SAMPLE STREET  
SAMPLE STREET  
SAMPLETOWN VIC 3030

Securityholder Reference Number (SRN)



I 1234567890 I N D

For your security keep your SRN/HIN confidential.

## Transfer and Acceptance Form - Share Offer

This personalised form can only be used in relation to the securityholding represented by the Securityholder Reference Number (SRN) or Holder Identification Number (HIN) printed above. It is an important document and requires your immediate attention. If you are in doubt about how to deal with it, please consult your financial or other professional adviser.

Use this form to accept EWC's Offer for your NewSat Limited shares

### B Consideration

The consideration applicable under the terms of this offer is one (1) EWC share for every twenty five (25) NewSat shares, or every twenty nine (29) NewSat options.

### Securityholder details

Subregister

Issuer/CHESS

Your holding in NewSat Limited

123456789012

Share consideration to be issued to you on the basis of one (1) EWC Payments share for every twenty five (25) NewSat shares or twenty nine (29) NewSat options accepted

123456789012

### C To be completed by Securityholder

You will be deemed to have accepted the Offer in respect of all your NewSat Limited Shares if you sign and return the form. If you hold your NewSat Limited Shares in a CHESS holding (see "subregister" above), to accept the offer you can either: Instruct your Controlling Participant directly - normally your stockbroker or Authorise EWC Payments to contact your Controlling Participant on your behalf, which you can do by signing and returning the form. By signing and returning the form you will be deemed to have authorised EWC Payments to contact your Controlling Participant directly via the CHESS system.

### D Contact details

Please provide your contact details in case we need to speak to you about this form.

Name of contact person

Contact person's daytime telephone number

### E Sign here - this section must be signed before we can process this form.

I/We accept the offer made by EWC Payments in respect of shares/options in NewSat I/we hold and I/we agree to be bound by the terms and conditions of the offer (including the instructions as to acceptance of the offer on the back of this form) and transfer all of my/our NewSat shares/options to EWC Payments for the above consideration

Individual or Securityholder 1

Sole Director and Sole Company Secretary

The directors reserve the right to make amendments to this form where appropriate. Please refer to the lodgement instructions overleaf.

Individual or Securityholder 2

Director

Individual or Securityholder 3

Director/Company Secretary

See back of form for completion guidelines

ASXAAASXAAA

2TKAS

<Broker PID>



## How to complete this form

### Acceptance of the takeover offer

#### A Registration Details

The NewSat shares are currently registered in the name(s) printed on this form. Your consideration will be issued in the name(s) which appear(s) on EWC Payments's copy of the Target register. If you have already sold all your NewSat shares/options shown overleaf, you need not take any further action. For security reasons we suggest that you destroy this form.

#### B Consideration

The EWC Payments consideration payable owing under the takeover offer is one (1) EWC Payments share for every twenty five (25) NewSat shares, or twenty nine (29) NewSat options accepted.

#### C How to accept the Offer

If your NewSat shares/options are held in an Issuer Sponsored Holding, simply complete and return this form to the EWC Payments Registry so that it is received by no later than 7pm Sydney time on <TBC>, unless extended.

If your NewSat shares/options are in a CHESS holding, you may **contact your Controlling Participant** directly (normally your stockbroker) with instructions to accept the offer. If you do this, you will need to sign and return this Transfer and Acceptance Form to your Controlling Participant.

If you want EWC Payments to contact your Controlling Participant on your behalf via the CHESS system, sign and return this form to the EWC Payments Registry so that it is received no later than 7pm, Sydney time on <TBC> unless extended.

If you sign and return this Transfer and Acceptance Form to the Registry either in respect of an Issuer Sponsored Holding or so that contact may be made with your Controlling Participant on your behalf, you warrant to EWC Payments (and authorise EWC Payments to warrant on your behalf) that you have full legal and beneficial ownership of the NewSat shares/options and that EWC Payments will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

**Neither EWC Payments or Computershare Investor Services Pty Limited ('CIS') will be responsible for any delays incurred by this process. You should allow sufficient time for the preferred party to initiate the acceptance of the offer on your behalf.**

#### D Contact details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.

#### E Signature(s)

You must sign the form as follows in the space provided:

Joint holding: where the holding is in more than one name all of the securityholders must sign.

Power of Attorney: to sign under Power of Attorney, you must attach a certified copy of the Power of Attorney to this form when you return it.

Deceased Estate: all executors must sign and, a certified copy of Probate or Letters of Administration must accompany this form.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### Lodgement of Transfer and Acceptance Form

This Transfer and Acceptance Form must be received by CIS <Melbourne> by no later than 7pm, Sydney time on <TBC>. You should allow sufficient time for this to occur. Return this Transfer and Acceptance Form to:

Computershare Investor Services Pty Limited  
GPO Box 52  
MELBOURNE VIC 8060

Neither CIS nor the Company accepts any responsibility if you lodge the Transfer and Acceptance Form at any other address or by any other means.

### Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail [privacy@computershare.com.au](mailto:privacy@computershare.com.au)

**If you have any enquiries concerning this Takeover Offer please contact CIS on telephone <1300 850 505>.**

Please note this form may not be used to change your address.

**Please return the completed form in the envelope provided or to the address opposite:**

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 8060  
Australia

2TKAS

ASXAA5XAAA



 Additional Instructions

If you have additional instructions, enter them here

For personal use only