

FAX

DATE: 31/03/2017

TO: ASX Markets Announcements

FAX: +61 2 9347 0005

FROM: Breakwater Holdings Pty Ltd

Tel: +61 2 9388 8066

PAGES: 9 (including this one)

Form 605
Corporations Act 2001
Section 671B

Notice of ceasing to be a substantial holder

To Company Name/Scheme Metgasco Ltd

ACN/ARSN 088 198 383

1. Details of substantial holder (1)

Name Breakwater Holdings Pty Ltd

ACN/ARSN (if applicable) 164 047 956

The holder ceased to be a substantial holder on 29/03/2017
The previous notice was given to the company on 18/11/2016
The previous notice was dated 18/11/2016

2. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest (2) of the substantial holder or an associate (3) in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (4)	Consideration given in relation to change (5)	Class (6) and number of securities affected	Person's votes affected
29 March 2017	Breakwater Holdings Pty Ltd	Breakwater Holdings Pty Ltd disposed a relevant interest in ordinary shares pursuant to section 608(1) of the Corporations Act on completion under a sale agreement entered into by Breakwater Holdings Pty Ltd and M&A Advisory Pty Ltd for the sale of ordinary shares (Sale Agreement). The form of Sale Agreement is annexed to this notice as Annexure A.	\$100,825, funded by an equivalent portion of a loan from Breakwater Holdings Pty Ltd to M&A Advisory Pty Ltd in the form set out in Annexure B (Loan Agreement).	2,000,000	0.5%

3. Changes in association

The persons who have become associates (3) of, ceased to be associates of, or have changed the nature of their association (7) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Breakwater Holdings Pty Ltd (ACN 164 047 956)	<p>On 28 March 2017, M&A Advisory Pty Ltd entered into a sale agreement to acquire ordinary shares from Breakwater Holdings Pty Ltd (ACN 164 047 956) in the form annexed to this notice as Annexure A ("Sale Agreement").</p> <p>On 28 March 2017, completion occurred under the Sale Agreement and M&A Advisory Pty Ltd entered into the Loan Agreement.</p> <p>The associate relationships that previously existed by virtue of section 12(2)(b) and 12(2)(c) of the Corporations Act between M&A Advisory Pty Ltd and Lawndale Group Pty Ltd and Breakwater Holdings Pty Ltd have ceased. This occurred upon completion under the Sale Agreement, pursuant to which Breakwater Holdings Pty Ltd disposed of its shares in Metgasco Ltd to M&A Advisory Pty Ltd.</p> <p>The relationship between M&A Advisory Pty Ltd and Breakwater Holdings Pty Ltd is limited to the terms of the Loan Agreement.</p>

4. Addresses

The addresses of persons named in this form are as follows:

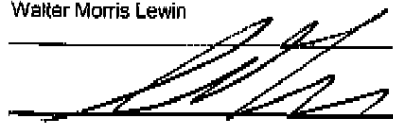
Name	Address
Breakwater Holdings Pty Ltd	Level 1, 261 George Street, Sydney NSW 2000
M&A Advisory Pty Ltd	Suite 407, 12 Century Circuit, Baulkham Hills NSW 2153
Lawndale Group Pty Ltd	Suite 407, 12 Century Circuit, Baulkham Hills NSW 2153

Signature

print name Walter Morris Lewin

capacity Secretary

sign here




date 29/03/2017

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 4 of the form.
- (2) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (3) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (4) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document settling out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (5) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (6) The voting shares of a company constitute one class unless divided into separate classes.
- (7) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

This is annexure A of 2 pages referred to in Form 605 (Notice of ceasing to be a substantial holder) signed by me and dated 29 March 2017.

29 March 2017
Date


Walter Morris Edwin, Secretary

SHARE SALE AGREEMENT

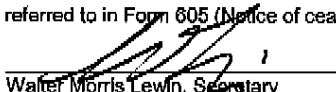
Strictly Private and Confidential

This agreement (**Agreement**) sets out the terms upon which the Parties agree to enter into the Transaction. The provisions of this Agreement are binding obligations of the parties.

Date	29 March 2017
Buyer	M&A Advisory Pty Ltd (ACN 605 252 506) or its nominee
Seller(s)	Breakwater Holdings Pty Ltd (ACN 164 047 956)
Company	Metgasco Ltd (ACN 088 196 383)
Sale Shares	2,000,000 fully paid ordinary shares in the Company
Transaction	The Seller(s) agree to sell and the Buyer agrees to buy the Sale Shares for the Consideration at the Completion Date, subject to completion of the Loan Agreement between the Buyer and the Seller(s) to be dated on or around the date of this Agreement (Loan Agreement).
Consideration	AUD100,825
Loan Agreement	The parties acknowledge and agree that entry into the Loan Agreement in respect of an amount equal to the Consideration satisfies the Consideration payable by the Buyer to the Seller in respect of the Sale Shares under this Agreement.
Completion	<p>Completion Date is 29 March 2017 or as soon as reasonably practicable thereafter as determined by the Buyer acting in good faith.</p> <p>At Completion, the Seller(s) must:</p> <ul style="list-style-type: none"> (a) Provide the Buyer with a completed, registrable off market transfer form for the Sale Shares in favour of the Buyer (as transferee), in a form acceptable to the Buyer acting reasonably which has been duly executed by the Seller(s) (as transferor); (b) Provide the Buyer with a counterpart of the Loan Agreement duly executed by the Seller; and (c) Do all other things necessary to register the Buyer as the holder of the Sale Shares. <p>At Completion, the Buyer must provide the Seller with a counterpart of the Loan Agreement duly executed by the Buyer.</p> <p>Title to the Sale Shares (and property and risk in them) remains solely with the Seller(s) until Completion and subject to the provisions of this Agreement passes from the Seller(s) to the Buyer with effect on and from Completion.</p>
Duty	The Buyer must pay any duty in respect of the execution, delivery and performance of this Agreement and any agreement or document entered into or signed under or in relation to this Agreement.
Further Assurance	Each party must sign, execute and do all deeds, acts, documents and things as may reasonably be required by the other party to effectively carry out and give effect to the terms and intentions of this Agreement.
Seller's Warranties	As at Completion, the Seller(s) has full power and authority to transfer to the Buyer good legal and equitable title to the Shares free of any encumbrance.

This is annexure A of 2 pages referred to in Form 605 (Notice of ceasing to be a substantial holder) signed by me and dated 29 March 2017.

29 March 2017
Date


Walter Morris Lewin, Secretary

Confidentiality	All material, commercially sensitive or commercially valuable information and intellectual property of or regarding the Transaction (including this Agreement and all information disclosed by the parties to each other) to be kept strictly confidential and not to be disclosed to third parties unless otherwise agreed, within the public domain or required by law or ASX listing rules. No announcement to ASX until Completion.
Currency	Australian Dollars (AUD or \$)
Governing Law	This Agreement shall be governed by, and construed in accordance with, the laws of New South Wales, Australia.
Costs and Expenses	Each party bears their own expenses.
Entire Agreement	This Agreement constitutes the sole understanding of the parties with respect to the subject matter and replaces all other agreements with respect thereto.
Counterparts	This Agreement may be executed in any number of counterparts (including by way of facsimile) each of which will be deemed for all purposes to be an original and all such counterparts taken together will be deemed to constitute one and the same instrument.

Executed by M&A Advisory Pty Ltd

Sole Director and Sole Secretary Signature

Print Name

Executed by Breakwater Holdings Pty Ltd

Sole Director and Sole Secretary Signature

Print Name

This is annexure B of 3 pages referred to in Form 605 (Notice of ceasing to be a substantial holder) signed by me and dated 29 March 2017.

29 March 2017
Date


Walter Morris Lewin, Secretary

This Agreement is made on 29 March 2017

Parties

- 1 **M&A Advisory Pty Ltd** (ACN 605 252 506) registered in New South Wales of Suite 407, 12 Century Circuit, Baulkham Hills NSW 2153 (the **Borrower**).
- 2 **Breakwater Holdings Pty Ltd** (ACN 164 047 956) registered in Queensland of Level 1, 261 George Street, Sydney NSW 2000 (the **Lender**).

Recitals

The Borrower has requested the Lender to provide the Borrower with a loan.

It is agreed as follows.

1 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
- (b) A reference to a party to this Agreement or another agreement or document includes the party's successors and permitted substitutes or assigns.

2 Loan Facility

2.1 Loan facility

The Borrower acknowledges that the Lender has lent it the sum of \$1,083,864.

2.2 Unsecured loan

The loan facility is unsecured.

2.3 Cancellation

The Lender or the Borrower may cancel the loan facility at any time.

3 Repayments

3.1 Repayment

The Borrower shall pay to the Lender the outstanding principal of the loan facility, and any unpaid interest, no later than 30 days after receipt by the Borrower of a written demand for repayment from the Lender, in one sum.

4 Interest

- (a) The loan will bear interest at the rate (which may be nil), and payable at the times, from time to time as agreed by the Lender and the Borrower. In the absence of any such stipulation, the rate of interest shall be nil.
- (b) The Lender and the Borrower may agree different rates of interest for different portions of the loan and at different times.

This is annexure B of 3 pages referred to in Form 605 (Notice of ceasing to be a substantial holder) signed by me and dated 29 March 2017.

29 march 2017
Date


Walter Morris Lewin, Secretary

- (c) If any interest or other amount payable to the Lender is not paid when due, then that amount will bear interest at the rate then applicable to the loan. Interest payable on overdue amounts shall be payable on demand.

5 Notices

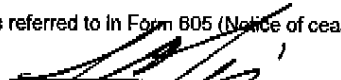
Any notice, demand, consent or other communication (a **Notice**) given or made under this Agreement:

- (a) must be in writing and signed by the sender or a person duly authorised by the sender (or in the case of email, set out the full name and position or title of the sender or person duly authorised by the sender);
- (b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand, fax or email to the address, fax number or email address below or the address, fax number or email address last notified by the intended recipient to the sender:
- (i) to Borrower: Address: Suite 407, 12 Century Circuit,
Baulkham Hills NSW 2153
Attention: Managing Director
- (ii) to Lender: Address: Level 1, 261 George Street,
Sydney NSW 2000
Attention: Managing Director
- (c) will be conclusively taken to be duly given or made and received:
- (i) in the case of delivery in person, when delivered;
- (ii) in the case of delivery by express post, to an address in the same country, two Business Days after the date of posting;
- (iii) in the case of delivery by any other method of post, six Business Days after the date of posting (if posted to an address in the same country) or 10 Business Days after the date of posting (if posted to an address in another country); and
- (iv) in the case of email, at the earliest of:
- (A) the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email;
- (B) the time that the intended recipient confirms receipt of the email by reply email; and
- (C) three hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, within that three hour period, an automated message that the email has not been delivered,
- but if the result is that a Notice would be taken to be given or made and received:
- (v) in the case of delivery by hand, post or fax, at a time that is later than 5pm;
- (vi) in the case of delivery by email, at a time that is later than 7pm; or
- (vii) on a day that is not a business day,

In the place specified by the intended recipient as its postal address under clause 5(b), it will be conclusively taken to have been duly given or made and received at the start of business on the next business day in that place.

This is annexure B of 3 pages referred to in Form 805 (Notice of ceasing to be a substantial holder) signed by me and dated 29 March 2017.

29 March 2017
Date


Walter Morris Leung, Secretary

6 Governing Law and Jurisdiction

This Agreement is governed by the laws of New South Wales and of the Commonwealth of Australia applying there. To the extent permitted by law, so are all related matters, including any non-contractual matters. The Borrower irrevocably accepts the non-exclusive jurisdiction of courts with jurisdiction there, and waives any right to object to the venue on any ground.

7 Counterparts

This Agreement may be executed in any number of counterparts, each executed by one or more parties. A party may do this by executing a signature page and electronically transmitting a copy to one or more others or their representative.

Executed in Sydney.

Executed by M&A Advisory Pty Ltd

Sole Director and Sole Secretary Signature

Print Name

Executed by Breakwater Holdings Pty Ltd

Sole Director and Sole Secretary Signature

Print Name