



GEODYNAMICS LIMITED
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ABN: 55 095 006 090

ASX Announcement

4 December 2013

Geodynamics Limited off-market offer for shares in KUTH Energy Limited (Offer)

- Notice declaring Offer unconditional
- Update of status – no increase in Offer price

Geodynamics Limited ACN 095 006 090 (**Geodynamics**) refers to the Offer made under its off-market takeover bid for all of the shares in KUTH Energy Limited ACN 125 694 920 (**KUTH**) under Geodynamics' Bidder's Statement dated 10 October 2013.

Notice declaring Offers to be unconditional

Geodynamics has today declared its Offers to be unconditional. This means that Geodynamics will acquire all of the KUTH shares for which it has received acceptances, and KUTH will become a subsidiary of Geodynamics.

Please see attached a formal Notice declaring that the Offer has been freed from all defeating conditions, pursuant to section 650F(1)(a) of the Corporations Act.

Update of status – no increase in Offer Price

Geodynamics notes that as at the date of this announcement, it has a relevant interest in 86.06% of all the ordinary shares in KUTH. Geodynamics also notes that KUTH directors and members of senior management have accepted Geodynamics' Offer in respect of all KUTH shares they own or control.

The Geodynamics Board of Directors has undertaken a review of the status of the takeover bid, and advises that it has decided that **Geodynamics will not increase the Offer consideration.**

ASX Announcement



Geodynamics notes in this regard that the Offer of one (1) Geodynamics Share for every five and a half (5.5) KUTh Shares provides the following substantial benefits to KUTh Energy shareholders who accept the Offer:

- The Offer represents a significant premium of 31.6% to KUTh's closing Share price on 17 September 2013¹ based on the respective 30-day volume weighted average price (VWAP) of Geodynamics and KUTh shares.
- Geodynamics is a more diversified company with a broader portfolio of projects and greater resources to manage both companies' projects.
- Geodynamics is better placed to raise the substantial development capital required to develop KUTh's projects.
- KUTh has modest cash reserves and is very likely to require a capital raising in the next year. If the Merger does not proceed, KUTh Shareholders face the prospect of significant dilution from future capital raisings to fund and develop its projects.
- If the Merger does not proceed, there is a significant risk that KUTh's Share price will fall upon the lapsing of the Geodynamics Offer.

The Offer is to close at 7.00pm (Sydney time) on 13 December 2013, unless extended or withdrawn.

If you do not accept the Offer and GDY becomes entitled to acquire your KUTh shares by compulsory acquisition, you will receive the Offer consideration later than you would have if you had accepted the Offer.

Geodynamics encourages KUTh Shareholders to **accept the Offer** as soon as possible.

For further information please call the Offer Information line on +61 1300 366 176.

A handwritten signature in black ink, appearing to read "Geoff Ward", written in a cursive style.

Geoff Ward
Managing Director and Chief Executive Officer

— ends —

¹ Being the last trading day prior to both companies being placed in a trading halt to consider and negotiate the Offers.



4 December 2013

To: KUTh Energy Limited ACN 125 694 920 (**KUTh**)
ASX Limited

**Notice of Freedom from Defeating Conditions
Section 650F of the Corporations Act 2001**

For the purposes of section 650F of the Corporations Act 2001 (Cth), Geodynamics Limited ACN 095 006 090 (**Geodynamics**) gives notice declaring that:

1. the takeover offers for ordinary shares in KUTh Energy Limited ACN 125 694 920 (**KUTh**) made under Geodynamics' Bidder's Statement dated 10 October 2013 (**Offer**), and each contract resulting from acceptance of an Offer, are free from all Defeating Conditions as stated in section 13 of the Bidder's Statement, being:
 - (a) section 13.1 (Minimum acceptance condition);
 - (b) section 13.2 (No Superior Proposal);
 - (c) section 13.3 (Regulatory Approval);
 - (d) section 13.4 (No restraint adversely affecting the Takeover Bid);
 - (e) section 13.5 (No material changes in the conduct of KUTh's business);
 - (f) section 13.6 (Exercise or cancellation of KUTh Options);
 - (g) section 13.7 (No exercise of change of control and other contractual rights);
 - (h) section 13.8 (No Prescribed Occurrences);
 - (i) section 13.9 (No Material Adverse Change);
 - (j) section 13.10 (No breach of KUTh Representations); and
 - (k) section 13.11 (No material defect in KUTh filings).
2. accordingly all Defeating Conditions of the Offers have been waived; and
3. Geodynamics' voting power in KUTh Energy Limited is 86.06 per cent.

Dated: 4 December 2013

Signed for and on behalf of Geodynamics pursuant to a unanimous resolution of the directors.

A handwritten signature in black ink, appearing to read "Geoff Ward".

Geoff Ward
Managing Director
Geodynamics Limited