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19 April 2012

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Company Announcements Office  
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Dear Sir

**Hydromet Corporation Limited (HMC)**

We act for Mr Simon Henry, and are instructed to forward to you the attached Announcement in relation to his off-market take-over bid for all of the Shares in Hydromet Corporation Limited.

Yours faithfully

**GILLIS DELANEY LAWYERS**

A handwritten signature in black ink, appearing to read 'Raymond Perkes', is written over the printed name.

*per*

**Raymond Perkes**

Special Counsel

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Encl

**SIMON HENRY**

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19 April 2012

**OFF-MARKET TAKEOVER OFFER FOR ALL OF THE SHARES**  
in  
**HYDROMET CORPORATION LIMITED (HMC.ASX)**  
at  
**4.8 CENTS PER SHARE PAYABLE IN CASH**  
by  
**MR SIMON HENRY**

Mr Simon Henry (**Mr Henry**) has today announced an intention to make an off-market offer for all of the shares in Hydromet Corporation Limited (**Hydromet**) (**Offer**).

Mr Henry's Offer is compelling. The Offer price is 4.8 cents per share, payable in cash and represents a premium of:

- 9.6% to Hydromet's most recently reported net tangible assets of 4.38 cents per Share (as set out in Hydromet's interim financial report to 31 December 2011);
- 14.0% to VWAP of Hydromet shares in the three months prior to me commencing on-market acquisitions of Hydromet Shares in September 2011; and
- 26.3% to the issue price for Shares of 3.8 cents under Hydromet's share purchase plan price of January 2012.

Mr Henry is a professional investor and owns 16.6% of the shares in Hydromet. In obtaining his interest in Hydromet, Mr Henry has been buying Hydromet shares on-market since September 2011 and has represented over 90% of the shares traded in Hydromet since that date.

The Offer is only conditional upon the Prescribed Occurrences, which are attached in the Appendix to this announcement. There is no minimum acceptance condition to the Offer. As the Offer is conditional only on Prescribed Occurrences, Mr Henry has instructed Investec Securities (Australia) Pty Limited to stand in the market and accept Hydromet shares offered to it at the Offer Price.

Mr Henry's Bidder's Statement has been lodged with ASIC and ASX and provided to Hydromet today.

- end -

### Appendix: Conditions to the Offer

The completion of the Offer and any contract that results from an acceptance of the Offer, are subject to the fulfilment of the condition that, between the date on which this Bidder's Statement was given to Hydromet, namely 19 April 2012 and the date the Offer closes (each inclusive), none of the following Prescribed Occurrences shall have occurred (each of the following events being a **Prescribed Occurrence**):

- (a) Hydromet converts all or any of its shares into a larger or smaller number of shares;
- (b) Hydromet or a subsidiary of Hydromet resolves to reduce its share capital in any way;
- (c) Hydromet or a subsidiary of Hydromet:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under Section 257C(1) or 257D(1) of the Corporations Act;
- (d) Hydromet or a subsidiary of Hydromet issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) Hydromet or a subsidiary of Hydromet issues, or agrees to issue, convertible notes;
- (f) Hydromet or a subsidiary of Hydromet disposes, or agrees to dispose, of the whole, or substantial part, of its business or property;
- (g) Hydromet or a subsidiary of Hydromet charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Hydromet or a subsidiary of Hydromet resolves to be wound up;
- (i) a liquidator or provisional liquidator of Hydromet or any subsidiary of Hydromet is appointed;
- (j) a court makes an order for the winding up of Hydromet or any subsidiary of Hydromet;
- (k) an administrator of Hydromet or any subsidiary of Hydromet is appointed under 436A, 436B or 436C of the Corporations Act;
- (l) Hydromet or any subsidiary of Hydromet executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Hydromet or any subsidiary of Hydromet.