

Form 604

Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme AJ Lucas Group Limited

ACN/ARSN 060 309 104

1. Details of substantial holder (1)

Name Andial Holdings Pty Limited

ACN/ARSN (if applicable) 087 777 660

There was a change in the interests of the substantial holder on

28 September 2012 and 29 October 2012

The previous notice was given to the company on

1 March 2012

The previous notice was dated

1 March 2012

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary	17,490,000	17.00%	17,490,000	13.36%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate 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 (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
28 September 2012	Andial Holdings Pty Limited	As a result of the Placement to Kerogen Investments No.1 (HK) Limited and the exercise of options by Kerogen Investments No.1 (HK) Limited, Andial Holdings Pty Limited's voting power has decreased.	N/A	17,490,000 Ordinary Shares	17,490,000

29 October 2012	Andial Holdings Pty Limited	Execution of replacement options to acquire shares from each of Amalgamated Dairies Limited, Forty Traders and Amalgamated Dairies Limited (Charitable & Educational a/c) dated 29 October 2012 (Option Deed). A true copy of the Option Deed is attached as Annexure A and a statement of the nature of the relevant interests that arises under the Option Deed is set out in Annexure B.	N/A	4,004,696 Ordinary Shares	4,004,696
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4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Andial Holdings Pty Limited	Andial Holdings Pty Limited	Andial Holdings Pty Limited	Shareholder	11,990,000 Ordinary Shares	11,990,000
Andial Holdings Pty Limited	Citicorp Nominees Pty Limited	Andial Holdings Pty Limited	Shareholder	1,495,590 Ordinary Shares	1,495,590
Andial Holdings Pty Limited	Amalgamated Dairies Limited	Amalgamated Dairies Limited	Option Deed	2,333,000 Ordinary Shares	2,333,000
Andial Holdings Pty Limited	Forty Traders Limited	Forty Traders Limited	Option Deed	1,566,348 Ordinary Shares	1,566,348
Andial Holdings Pty Limited	Amalgamated Dairies Limited (Charitable & Educational a/c)	Amalgamated Dairies Limited (Charitable & Educational a/c)	Option Deed	105,062 Ordinary Shares	105,062

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) 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
N/A	N/A

6. Addresses

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

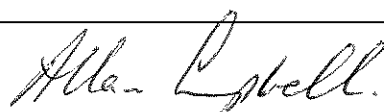
Name	Address
Andial Holdings Pty Limited	Level 2, 394 Lane Cove Road, Macquarie Park NSW 2113
Amalgamated Dairies Limited	PO Box 36, Shortland Street, Auckland, 1140, New Zealand
Forty Traders Limited	PO Box 36, Shortland Street, Auckland, 1140, New Zealand
Amalgamated Dairies Limited (Charitable & Educational a/c)	PO Box 36, Shortland Street, Auckland, 1140, New Zealand
Citicorp Nominees Pty Limited	2 Park Street, Sydney NSW 2000

Signature

print name ALLAN STUART CAMPBELL

capacity Director

sign here



date 29/10/2012

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 6 of the form.
- (2) See the definition of 'associate' in section 9 of the Corporations Act 2001.
- (3) See the definition of 'relevant interest' in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) 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 setting 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.
- (7) Details of the consideration must include any and all benefits, money 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.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write 'unknown'.
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

Annexure A – Option Deed

I, Allan Stuart Campbell, verify that this is a true ^{copy} of the Sale and Option Deed referred to in the Notice in  Change of Interests of Substantial Holder dated 29/12 **HOLDING REDLICH** October 2012.
Allan Campbell.

29/12 October 2012

Dated

2012

Amalgamated Dairies Limited
NZCN 43908

Andial Holdings Pty Limited
ACN 087 777 660

Argyll Capital Partners Pty Limited
ACN 080 168 225

Mr William Douglas Goodfellow

Commodity Traders NZ Limited
NZCN 130671

Allan Stuart Campbell

Sale and Option Deed

AJ Lucas Group Limited ACN 060 309 104

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David Walker
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THIS DEED is dated 29th October 2012

PARTIES:

AMALGAMATED DAIRIES LIMITED (NZCN 43908) of 40- 42 Anzac Avenue, Auckland, New Zealand (**ADL**)

ANDIAL HOLDINGS PTY LIMITED (ACN 087 777 660) of Level 2, 394 Lane Cove Road, Macquarie Park, NSW 2113 Australia (**Andial**)

ARGYLL CAPITAL PARTNERS PTY LIMITED (ACN 080 168 225) of 3 Ginahgulla Road, Bellevue Hill, NSW 2023 Australia (**Argyll**)

MR WILLIAM DOUGLAS GOODFELLOW of 177D Tamaki Drive, Kohimarama, New Zealand (**Goodfellow**)

COMMODITY TRADERS NZ LIMITED (NZCN 130671) of 40-42 Anzac Avenue, Auckland, New Zealand (**Commodity**)

ALLAN STUART CAMPBELL of 3 Ginahgulla Road, Bellevue Hill, NSW 2023 Australia (**Campbell**)

INTRODUCTION:

- A** Andial owns or has the ability to control the legal and beneficial interest in the Andial AJL Shares.
- B** Andial will sell and ADL will purchase the Andial AJL Shares on the terms and conditions of this deed.
- C** Following the transfer of the Andial AJL Shares to ADL, ADL will own or have the ability to control the legal and beneficial interest in the ADL AJL Shares.
- D** ADL will grant Andial a pre-emptive right to acquire the ADL AJL Shares on the terms and conditions of this deed.
- E** ADL will grant Andial options to acquire each of the Andial AJL Option Shares and the Existing ADL AJL Shares Option on the terms and conditions of this deed.

IT IS AGREED:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this deed, unless the context clearly indicates otherwise:

ADL AJL Shares means the Existing ADL AJL Shares and the Andial AJL Shares;

Andial AJL Option Shares means the Andial AJL Shares;

Andial AJL Shares Option means an option for Andial to require ADL to sell to Andial or any nominee of Andial all or some of the Andial AJL Option Shares at the Andial AJL Shares Option Exercise Price per Share;

Andial AJL Shares Option Exercise Cut-Off Time means 5.00pm (Sydney, Australia time) on the date 18 months after Completion (or such later time as ADL in its absolute discretion determines);

Andial AJL Shares Option Exercise Notice means notice of exercise of the Andial AJL Shares Option in the form of **Schedule 3** to be provided by Andial to ADL under **clause 8.3**;

Andial AJL Shares Option Exercise Price means the Market Price on the date of receipt of the Andial AJL Shares Option Exercise Notice or \$2.10, whichever is the greater;

Andial AJL Shares Option Expiry Date means the earlier of the date the Andial AJL Shares Option:

- (a) is exercised under **clause 8.2**; and
- (b) lapses under **clause 8.6(a)**;

Andial AJL Shares Option Period means the period commencing on the date of this deed and expiring on the Andial AJL Shares Option Expiry Date;

Andial Shares means 27,100,001 ordinary shares in Andial held by the Andial Shareholders;

Andial Shareholders means each of the following persons holding the following number of Andial Shares:

Andial Shareholder	Number of Andial Shares
Urban Enterprises Consultants Pty Ltd (ACN 065 978 707)	2,032,500
Campbell	1
A J Lucas Pty Ltd (ACN 003 313 368)	25,067,500

Andial AJL Shares means 11,990,000 Shares held by JP Morgan Securities Limited under the terms of the Sponsorship Deed;

Andial AJL Shares Purchase Consideration means the Market Price of the Andial AJL shares on Completion;

Argyll Shares means 3 shares in Argyll held by the Argyll Shareholders;

Argyll Shareholders means each of the following persons holding the following number of Argyll Shares:

Argyll Shareholder	Number of Argyll Shares
Lisa Marie Campbell	1
Campbell	2

ASX means ASX Limited;

Balance of Debt has the meaning in **clause 3.2**;

Business Day means a day other than a Saturday, Sunday or public or bank holiday in Sydney, New South Wales and Auckland;

Charges means each of the Gleneagles Charge and the Westpac Charge;

Claim includes any claim, demand or cause of action in connection with a Loss including:

- (a) in contract;
- (b) in tort (including misrepresentation or negligence);
- (c) in law or in equity; or
- (d) under statute (including the *Competition and Consumer Act 2010* (Cth), the *Fair Trading Act 1987* (NSW) or similar legislation in other states or territories of Australia);

Company means AJ Lucas Group Limited (ACN 060 309 104) of Level 2, 394 Lane Cove Road, Macquarie Park, New South Wales 2113;

Completion means completion of the sale and purchase of the Andial AJL Shares in accordance with **clause 4**, and **Complete** has a corresponding meaning;

Completion Conditions means the conditions to Completion specified in **clause 4.1**;

Completion Date means 2 Business Days after all of the Completion Conditions have been satisfied or waived or such later date agreed between the parties and in any event no later than 30 Business Days from the date of this deed;

Corporations Act means the *Corporations Act 2001* (Cth);

Debt means the sum of \$25,881,906.91 or such other amount as set out in the Judgment owed by Andial to ADL;

Deed of Settlement and Release means the Deed of Settlement and Release between Andial, Goodfellow, Argyll and Commodity dated 9 September 2011;

Encumbrance includes any mortgage, charge, pledge, lien or other third party interest, but does not include a lien arising as a matter of Law;

Existing ADL AJL Shares means 4,004,410 Shares held by the Existing ADL AJL Shares Shareholders;

Existing ADL AJL Option Shares means the Existing ADL AJL Shares;

Existing ADL AJL Shares Option means an option for Andial to request that ADL sell to Andial or any nominee of Andial all or some of the Existing ADL AJL Option Shares at the Existing ADL AJL Shares Option Exercise Price per Share;

Existing ADL AJL Shares Option Exercise Cut-Off Time means 5.00pm (Sydney, Australia time) on the date 18 months after Completion (or such later time as ADL in its absolute discretion determines);

Existing ADL AJL Shares Option Exercise Notice means notice of exercise of the Existing ADL AJL Shares Option in the form of **Schedule 4** to be provided by Andial to ADL under **clause 9.3**;

Existing ADL AJL Shares Option Exercise Price means the Market Price on the date of receipt of the Existing ADL AJL Shares Option Exercise Notice;

Existing ADL AJL Shares Option Expiry Date means the earlier of the date the Existing ADL AJL Shares Option:

- (a) is exercised under **clause 9.2**;
- (b) lapses under **clause 9.3(c)**; and
- (c) lapses under **clause 9.7(a)**;

Existing ADL AJL Shares Option Period means the period commencing on the date of this deed and expiring on the Existing ADL AJL Shares Option Expiry Date;

Existing ADL AJL Shares Shareholder means each of the following entities holding the following number of Existing ADL AJL Shares:

Existing ADL AJL Shares Shareholder	Number of Existing ADL AJL Shares
ADL	2,333,000
ADL (Charitable & Educational a/c)	105,062
Forty Traders Limited	1,566,348

Gleneagles Charge means Fixed and Floating Charge provided by Andial to Gleneagles Securities (Aust) Pty Limited (ABN 58 136 930 526) dated 5 May 2011;

Government Agency means any government and any governmental or semi-governmental, administrative, fiscal or judicial or quasi-judicial body and any governmental or semi-governmental, department, commission, authority, tribunal, regulator, agency or entity;

Judgment has the same meaning as in the Deed of Settlement and Release;

Law means the requirements of all statutes, rules, regulations, proclamations, ordinances or by-laws, present or future;

Loss includes, to the extent that it is incurred in connection with this deed, any Liability, damage, cost (including reasonable legal costs on a solicitor and own client basis) and other outgoing, and any diminution in value of, or deficiency of any kind in, any thing;

Market Price means the price of each Share quoted on ASX at the close of trade on any Business Day;

Moratorium Period means a period of 6 months from the Completion Date;

Placement ADL Share Purchase Agreement means an agreement to acquire the placement ADL shares between Andial and ADL dated 9 September 2011;

Proceedings means the proceedings commenced by ADL against Andial, Argyll and JP Morgan Securities Limited in the Supreme Court of New South Wales numbered 2009/327083;

Recommended Takeover Offer means any final offer from any person to acquire some or all of the Shares in the Company in accordance with the provisions of the Corporations Act;

Share means a fully paid ordinary listed share in the capital of the Company;

Sponsorship Deed means the Sponsorship Deed between Ord Minnett Securities Limited, A. J. Lucas Holdings Pty Ltd (now Andial) and Babcock & Brown Barton Pty Limited dated 9 September 2000, as novated to JP Morgan Securities Limited to the extent of the rights and obligations of Ord Minnett Securities Limited and as novated to ADL to the extent of the rights and obligations of Babcock & Brown Barton Pty Limited;

Stamp Duty means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount in respect of the above but excludes any goods and services tax;

Warranties means the representations and warranties set out in **Schedule 1** and **Schedule 2**; and

Westpac Charge means the charge provided by Andial to St George Bank Limited (as assigned to Westpac Banking Corporation) dated 24 June 2008.

1.2 Interpretation

In this deed, unless the context clearly indicates otherwise:

- (a) a reference to **this deed** or another document means this deed or that other document and any document which varies, supplements, replaces, assigns or novates this deed or that other document;
- (b) a reference to **legislation** or a **legislative provision** includes any statutory modification or substitution of that legislation or legislative provision and any subordinate legislation issued under that legislation or legislative provision;
- (c) **Related Body Corporate** and **Related Entity** have the meanings given to these terms in the Corporations Act;
- (d) a reference to the **introduction**, a **clause**, **schedule** or **annexure** is a reference to the introduction, a clause, a schedule or an annexure to or of this deed;
- (e) the **introduction**, **schedules** (if any) and **annexures** (if any) form part of this deed;
- (f) a reference to a **corporation** includes its successors and permitted assigns;
- (g) a reference to a **breach of warranty** includes that warranty not being complete, true or accurate;
- (h) a requirement to do any thing includes a requirement to cause that thing to be done and a requirement not to do any thing includes a requirement to prevent that thing being done;
- (i) **including** and **includes** are not words of limitation;
- (j) the words **at any time** mean at any time and from time to time;
- (k) a reference to a time is to that time in New South Wales, Australia;
- (l) a word that is derived from a defined word has a corresponding meaning;
- (m) **monetary amounts** are expressed in Australian dollars;
- (n) the singular includes the plural and vice-versa;
- (o) words importing one gender include all other genders; and

(p) a reference to a thing includes each part of that thing.

1.3 Construction

Neither this deed nor any part of it is to be construed against a party on the basis that the party or its lawyers were responsible for its drafting.

2 SALE AND PURCHASE OF ANDIAL AJL SHARES

2.1 Sale and purchase

With effect from the Completion Date, Andial will sell the Andial AJL Shares to ADL free from any Encumbrances and ADL will purchase the Andial AJL Shares from Andial for an amount equal to the Andial AJL Shares Purchase Consideration on the terms and conditions of this deed.

2.2 Payment of Andial AJL Shares Purchase Consideration

The Andial AJL Shares Purchase Consideration payable by ADL for the purchase of the Andial AJL Shares will be fully satisfied by setting-off an equivalent amount against the Debt.

2.3 No enforcement of Judgment

In consideration of the transfer of the Andial AJL Shares to ADL, for the period from the date of this deed to the Andial AJL Shares Option Exercise Cut-Off Time, ADL undertakes that it will not take any steps to enforce the Judgment against Argyll and Andial including, but not limited to, seeking an examination order, seeking a charging order, seeking the appointment of a receiver or the sequestration of any property, issuing a statutory demand under the Corporations Act, issuing a writ of execution, taking any steps to wind up or publically examine any officer of Andial or Argyll or report any default to the Credit Reference Association of Australia or any other body which collects and maintains records of financial default for credit purposes.

3 BALANCE OF DEBT

3.1 Balance of Debt to remain

In the event that the Andial AJL Shares Purchase Consideration does not fully satisfy the repayment of the Debt, the balance of the Debt following the set off under **clause 2.2 (Balance of Debt)** remains due and owing by Andial to ADL on the existing terms and conditions.

3.2 Satisfaction of Balance of Debt by sale

In the event that, prior to the Andial AJL Shares Option Exercise Cut-Off Time, either:

- (a) ADL sells the Andial AJL Shares for a price not less than \$2.10 per Share;
or
- (b) the Market Price of the Andial AJL Shares at any time exceeds \$2.10 per Share,

the Balance of Debt will be automatically deemed to have been fully and finally discharged and ADL, Goodfellow and Commodity irrevocably undertake to discharge each of Andial and Argyll from any and all continuing or further liability under and in respect of the Balance of Debt, the Proceedings, the Judgment, the Deed of Settlement and Release and the Placement ADL Share Purchase Agreement.

3.3 Satisfaction of Balance of Debt after time

If, immediately following the Andial AJL Shares Option Exercise Cut-Off Time, any part of the Balance of Debt remains outstanding, then, if so requested by ADL, within 7 Business Days, Campbell irrevocably undertakes to procure (and covenants that he has all necessary power to enable him to procure) and do everything necessary to effect:

- (a) the transfer to ADL or the nominee of ADL of all of the legal and beneficial title to the Andial Shares and the Argyll Shares with full title guarantee and free from all Encumbrances by delivering to ADL:
 - (i) completed transfers of the Andial Shares in favour of ADL or the nominee of ADL as transferee that are duly executed by the relevant holders of the Andial Shares; and
 - (ii) completed transfers of the Argyll Shares in favour of ADL or the nominee of ADL as transferee that are duly executed by the relevant holders of the Argyll Shares.

Receipt of the completed transfers for the Andial Shares and the Argyll Shares constitutes an implied warranty from Andial in favour of ADL or the nominee of ADL that the legal and beneficial title to the Andial Shares and the Argyll Shares were transferred to ADL or the nominee of ADL free from all Encumbrances and with full title guarantee; and

- (b) that the board of each of Andial and Argyll meets and resolves to:
 - (i) appoint such persons as directors and company secretary of each of Andial and Argyll as ADL directs;
 - (ii) accept the resignation of Campbell as a director of each of Andial and Argyll and as company secretary of Argyll with no claim on either company; and

- (iii) accept the resignation of Nicholas John William Swan as company secretary of Andial with no claim on that company.

4 CONDITIONS PRECEDENT TO COMPLETION

4.1 Conditions precedent

Completion will only occur if and when the following conditions (**Completion Conditions**) have been satisfied or waived in accordance with this deed:

- (a) the Andial AJL Shares having been released from the Gleneagles Charge; and
- (b) the Andial AJL Shares having been released from the Westpac Charge.

4.2 Parties must endeavour to Complete

- (a) No party may take any action that would or would be likely to prevent or hinder Completion if the Completion Conditions are satisfied or waived (as the case may be).
- (b) Upon either party becoming aware that any of the Completion Conditions has become incapable of being satisfied, it must promptly notify the other party in writing.
- (c) If all of the Completion Conditions are not fully satisfied on or prior to the Completion Date, and are not waived on or prior to the Completion Date, either party may, at its discretion, terminate this deed by giving the other party written notice to that effect on the Completion Date.
- (d) Other than the rights and obligations contained in **clauses 4, 11 and 14**, the parties will have no further rights or obligations under this deed if this deed is terminated under **clause 4.2(c)**, except in respect of any breach of this deed occurring prior to termination.

4.3 Obligation Andial

Andial must use its best endeavours to procure the fulfilment of each of the conditions in **clause 4.1** and must keep each other party informed of any circumstances which may result in any of the conditions not being satisfied.

4.4 Benefit of Completion Conditions

The Completion Conditions in **clause 4.1** are for the benefit of ADL and may only be waived by ADL.

5 COMPLETION

5.1 Time and place of Completion

Completion will take place at 11.00 am on the Completion Date at the offices of Holding Redlich, Level 65, MLC Centre, 19 Martin Place, Sydney, New South Wales 2000.

5.2 Actions at Completion

At Completion:

- (a) Andial must deliver to ADL:
 - (i) evidence acceptable to ADL of the satisfaction of each of the Completion Conditions;
 - (ii) a completed transfer of the Andial AJL Shares in favour of ADL or the nominee of ADL as transferee that is duly executed by Andial; and
 - (iii) holder identification numbers in respect of the Andial AJL Shares; and
- (b) ADL must immediately instruct JP Morgan Securities Limited in accordance with the Sponsorship Deed to transfer the Andial AJL Shares to ADL.

5.3 Risk

Subject to Completion, beneficial ownership and risk in the Andial AJL Shares passes from Andial to ADL on and from Completion.

5.4 Effect of Completion

In consideration of the matters in **clause 3.2** occurring:

- (a) ADL is deemed to release and forever discharge each of Andial and Argyll from any and all liability under and in respect of the Debt, the Proceedings, the Judgment, the Deed of Settlement and Release and the Placement ADL Share Purchase Agreement; and
- (b) ADL will not take any steps to enforce the Judgment against Argyll and Andial including, but not limited to, seeking an examination order, seeking a charging order, seeking the appointment of a receiver or the sequestration of any property, issuing a statutory demand under the Corporations Act, issuing a writ of execution, taking any steps to wind up or publically examine any officer of Andial or Argyll or report any default to the Credit Reference Association of Australia or any other body which collects and maintains records of financial default for credit purposes.

6 SUBSTANTIAL HOLDER NOTICES

Following Completion, each party, as required, will lodge a substantial holder notice or change of substantial holder notice (as applicable) with the ASX in relation to its holdings of Shares following the sale or purchase of the Andial AJL Shares by the time required by the Corporations Act.

7 PRE-EMPTION RIGHT

7.1 ADL's rights in relation to ADL AJL Shares

- (a) From Completion for the duration of the Moratorium Period, ADL undertakes not to transfer the legal and beneficial title of any of the ADL AJL Shares, other than if ADL is selling the ADL AJL Shares in a Recommended Takeover Offer, or if Andial exercises the Andial AJL Shares Option under **clause 8.2**, or if the Market Price of the Shares exceeds \$2.10 per Share.
- (b) From the day following the end of the Moratorium Period, subject to **clause 7.2**, ADL may transfer the legal and beneficial title of the ADL AJL Shares as and when it thinks fit.

7.2 First Right of Refusal

In the event that ADL at any time and from time to time, from Completion until the Andial AJL Shares Option Exercise Cut-Off Time, seeks to sell any ADL AJL Shares to a person other than Andial (**Pre-Emption Transfer**), ADL must first comply with the following process:

- (a) prior to entering into a binding agreement in relation to a Pre-Emption Transfer, ADL must give notice in writing (**Pre-Emption Notice**) to Andial setting out the number of ADL AJL Shares (**Pre-Emption Shares**) that ADL wishes to transfer under the Pre-Emption Transfer and the price per relevant Pre-Emption Share that ADL has agreed to sell the ADL AJL Shares to the other person at (**Pre-Emption Price**);
- (b) within 10 Business Days of notification by ADL to Andial under **clause 7.2(a) (Pre-Emption Offer Closing Date)**, Andial may by notice in writing to ADL (**Pre-Emption Offer**) offer to acquire some or all of its Pre-Emption Shares at the Pre-Emption Price;
- (c) once made, a Pre-Emption Offer is irrevocable and binding on Andial and must be accepted by ADL in accordance with **clause 7.2(e)**;
- (d) if Andial fails to submit a Pre-Emption Offer by the Pre-Emption Offer Closing Date, Andial will be deemed to have declined to make a Pre-Emption Offer and will have no further rights under this **clause 7.2** in relation to the Pre-Emption Shares;

- (e) if Andial submits a Pre-Emption Offer by the Pre-Emption Offer Closing Date, ADL must agree to sell to Andial all of the Pre-Emption Shares noted in the Pre-Emption Offer at the Pre-Emption Price and must issue Andial with a notice in writing (**Acceptance Notice**) which states a date, place and time (**Pre-Emption Completion Date**) being no more than 60 Business Days after the Pre-Emption Offer Closing Date (or such other date, place and time as ADL and Andial may agree) on which the sale and purchase of the relevant Pre-Emption Shares is to be completed;
- (f) on or before the Pre-Emption Completion Date, ADL must transfer the legal and beneficial title to the relevant Pre-Emption Shares to Andial with full title guarantee and free from all Encumbrances by delivering to Andial:
 - (i) a completed transfer of the relevant Pre-Emption Shares in favour of Andial as transferee that is duly executed by ADL; and
 - (ii) holder identification numbers in respect of the relevant Pre-Emption Shares,

against payment of the aggregate Pre-Emption Price by bank cheque or other payment in cleared funds acceptable to ADL due to ADL from Andial on the Pre-Emption Completion Date. Receipt of the aggregate Pre-Emption Price for the Pre-Emption Shares so transferred constitutes an implied warranty from ADL in favour of Andial that the legal and beneficial title to the relevant Pre-Emption Shares was transferred to Andial free from all Encumbrances and with full title guarantee; and
- (g) if, by the Pre-Emption Completion Date, Andial fails to pay (or procure the payment of) the aggregate Pre-Emption Price in respect of the relevant Pre-Emption Shares under **clause 7.2(f)**, ADL is (without prejudice to any other rights which it/they may have against Andial) entitled to transfer the legal and beneficial title to the Pre-Emption Shares to any other person as if Andial had failed to submit a Pre-Emption Offer in relation to the relevant Pre-Emption Shares and Andial will have no claim for damages or compensation (or otherwise) against ADL in respect of the Pre-Emption Shares,

but the provisions of this **clause 7.2** do not apply to any transfer of the ADL AJL Shares in a Recommended Takeover Offer.

7.3 Options

For the avoidance of doubt, in the event that ADL transfers any ADL AJL Shares in accordance with **clause 7**, Andial will have no right to exercise either the Andial AJL Shares Option or the Existing AJL Shares Option in respect of the Shares so transferred in accordance with **clause 7**.

8 ANDIAL AJL SHARES OPTION

8.1 Grant of Andial AJL Shares Option

Following Completion until the Andial AJL Shares Option Exercise Cut-off Time, subject to the terms and conditions of this deed, ADL grants to Andial the Andial AJL Shares Option to acquire the Andial AJL Option Shares.

8.2 Exercise of Andial AJL Shares Option

- (a) Andial may at any time on or before the Andial AJL Shares Option Exercise Cut-Off Time exercise the Andial AJL Shares Option by delivering to ADL an Andial AJL Shares Option Exercise Notice in respect of all of the Andial AJL Option Shares or such proportion of the Andial AJL Option Shares as agreed by the parties that Andial wishes to purchase at the Andial AJL Shares Option Exercise Price per Share.
- (b) Andial may exercise the Andial AJL Shares Option at any time and from time to time during the period following Completion to the Andial AJL Shares Option Exercise Cut-Off Time, but may only provide an Andial AJL Shares Option Exercise Notice for parcels of Andial AJL Shares with a value of at least \$5 million.

8.3 Issue of Andial AJL Shares Option Exercise Notice

If Andial issues a duly executed Andial AJL Shares Option Exercise Notice by the Andial AJL Shares Option Exercise Cut-Off Time, ADL must agree to sell all of the Andial AJL Option Shares as set out in the Andial AJL Shares Option Exercise Notice to Andial at the Andial AJL Shares Option Exercise Price and must within 2 Business Days issue Andial with a notice in writing (**Acceptance Notice**) which states a date, place and time (**Andial AJL Shares Option Exercise Completion Date**) being no more than 30 Business Days after the Andial AJL Shares Option Exercise Notice (or such other date, place and time as ADL and Andial may agree) on which the sale and purchase of the relevant Andial AJL Option Shares is to be completed.

8.4 Completion of Andial AJL Shares Option Exercise

On or before the Andial AJL Shares Option Exercise Completion Date, ADL must transfer the legal and beneficial title to the Andial AJL Option Shares as set out in the Andial AJL Shares Option Exercise Notice to Andial with full title guarantee and free from all Encumbrances by delivering to Andial:

- (a) a completed transfer of the relevant Andial AJL Shares Option Shares in favour of Andial as transferee that is duly executed by ADL; and
- (b) holder identification numbers in respect of the relevant Andial AJL Option Shares,

against payment of the aggregate Andial AJL Shares Option Exercise Price due to ADL from Andial on the Andial AJL Shares Option Exercise Completion Date. Receipt of the aggregate Andial AJL Shares Option Exercise Price for the Andial AJL Option Shares so transferred constitutes an implied warranty from ADL in favour of Andial that the legal and beneficial title to the relevant Andial AJL Option Shares was transferred to Andial free from all Encumbrances and with full title guarantee.

8.5 Failure to complete

If, by the Andial AJL Shares Option Exercise Completion Date, Andial fails to pay (or procure the payment of) the aggregate Andial AJL Shares Option Exercise Price in respect of the relevant Andial AJL Option Shares under **clause 8.4**, ADL has no further obligation to sell the Andial AJL Option Shares to Andial and Andial will have no claim for damages or compensation (or otherwise) against ADL in respect of the Andial AJL Option Shares.

8.6 Failure to exercise Andial AJL Shares Option

If Andial fails to deliver to ADL an Andial AJL Shares Option Exercise Notice by the Andial AJL Shares Option Exercise Cut-Off Time, then:

- (a) the Andial AJL Shares Option immediately lapses;
- (b) Andial has no further rights to exercise the Andial AJL Shares Option; and
- (c) Andial will have no claim for damages or compensation (or otherwise) against ADL in respect of the Andial AJL Option Shares.

9 EXISTING ADL AJL SHARES OPTION

9.1 Grant of Existing ADL AJL Shares Option

Following Completion until the Existing ADL AJL Shares Option Exercise Cut-off Time, subject to the terms and conditions of this deed, ADL grants to Andial the Existing ADL AJL Shares Option to acquire the Existing ADL AJL Option Shares.

9.2 Exercise of Existing ADL AJL Shares Option

Andial may at any time on or before the Existing ADL AJL Shares Option Exercise Cut-Off Time exercise the Existing ADL AJL Shares Option by delivering to ADL an Existing ADL AJL Shares Option Exercise Notice in respect of all of the Existing ADL AJL Option Shares then held by ADL and the Existing ADL AJL Shares Shareholders at the Existing ADL AJL Shares Option Exercise Price per Share.

9.3 Issue of Existing ADL AJL Shares Option Exercise Notice

If Andial issues a duly executed Existing ADL AJL Shares Option Exercise Notice by the Existing ADL AJL Shares Option Exercise Cut-Off Time, ADL (at its complete discretion) has the right to elect to either:

- (a) sell all of the Existing ADL AJL Option Shares as set out in the Existing ADL AJL Shares Option Exercise Notice to Andial, in which case **clause 9.4** applies in relation to all of Existing ADL AJL Option Shares;
- (b) sell only some of the Existing ADL AJL Option Shares as set out in the Existing ADL AJL Shares Option Exercise Notice to Andial, in which case **clause 9.4** applies only in relation to those number of Existing ADL AJL Option Shares that ADL has agreed to sell; or
- (c) not sell any of the Existing ADL AJL Option Shares, in which case:
 - (i) Andial has no right to purchase any of the Existing ADL AJL Option Shares;
 - (ii) the Existing ADL AJL Shares Option immediately lapses;
 - (iii) Andial has no further rights to exercise the Existing ADL AJL Shares Option; and
 - (iv) Andial will have no claim for damages or compensation (or otherwise) against ADL in respect of the Existing ADL AJL Option Shares.

9.4 Andial AJL Shares Acceptance Notice

If, under either of **clauses 9.3(a)** or **9.3(b)**, ADL elects and agrees to sell all or some of the Existing ADL AJL Option Shares as set out in the Existing ADL AJL Shares Option Exercise Notice to Andial at the Existing ADL AJL Shares Option Exercise Price, ADL must within 2 Business Days Issue Andial with a notice in writing (**Andial AJL Shares Acceptance Notice**) which states a date, place and time (**Andial AJL Shares Option Exercise Completion Date**) being no more than 30 Business Days after the Existing ADL AJL Shares Option Exercise Notice (or such other date, place and time as ADL and Andial may agree) on which the sale and purchase of the relevant Existing ADL AJL Option Shares is to be completed.

9.5 Completion of Existing ADL AJL Shares Option Exercise

On or before the Existing ADL AJL Shares Option Exercise Completion Date, ADL must transfer the legal and beneficial title to the Existing ADL AJL Option Shares as set out in the Existing ADL AJL Shares Option Exercise Notice to Andial with full title guarantee and free from all Encumbrances by delivering to Andial:

- (a) a completed transfer of the relevant Existing ADL AJL Shares Option Shares in favour of Andial as transferee that is duly executed by ADL; and
- (b) holder identification numbers in respect of the relevant Existing ADL AJL Option Shares,

against payment of the aggregate Existing ADL AJL Shares Option Exercise Price due to ADL from Andial on the Existing ADL AJL Shares Option Exercise Completion Date. Receipt of the aggregate Existing ADL AJL Shares Option Exercise Price for the Existing ADL AJL Option Shares so transferred constitutes an implied warranty from ADL in favour of Andial that the legal and beneficial title to the relevant Existing ADL AJL Option Shares was transferred to Andial free from all Encumbrances and with full title guarantee.

9.6 Failure to complete

If, by the Existing ADL AJL Shares Option Exercise Completion Date, Andial fails to pay (or procure the payment of) the aggregate Existing ADL AJL Shares Option Exercise Price in respect of the relevant Existing ADL AJL Option Shares under **clause 9.5**, ADL has no further obligation to sell the Existing ADL AJL Option Shares to Andial and Andial will have no claim for damages or compensation (or otherwise) against ADL in respect of the Existing ADL AJL Option Shares.

9.7 Failure to exercise Existing ADL AJL Shares Option

If Andial fails to deliver to ADL an Existing ADL AJL Shares Option Exercise Notice by the Existing ADL AJL Shares Option Exercise Cut-Off Time, then:

- (a) the Existing ADL AJL Shares Option immediately lapses;
- (b) Andial has no further rights to exercise the Existing ADL AJL Shares Option; and
- (c) Andial will have no claim for damages or compensation (or otherwise) against ADL in respect of the Existing ADL AJL Option Shares.

9.8 Placement ADL Share Purchase Agreement

For the avoidance of doubt, from the date of this deed, the options and rights granted to Andial by ADL under the Placement ADL Share Purchase Agreement terminate and are replaced by the Andial AJL Shares Option and the Existing ADL AJL Shares Option.

10 REPRESENTATIONS AND WARRANTIES

10.1 Representations and warranties

- (a) ADL gives the representations and warranties set out **Schedule 1**.

(b) Andial gives the representations and warranties set out in **Schedule 2**.

10.2 Separate warranties

Each representation and warranty is to be treated as a separate representation and warranty.

10.3 Reliance

The parties acknowledge that each party has entered into this deed in reliance on the representations and warranties from the other parties.

10.4 Notice of breach

Each party undertakes that it will notify the other parties immediately if it becomes aware of a breach of any representation or warranty by the first party under **clause 10.1**.

10.5 Indemnity for breach of representation or warranty

Each party irrevocably and unconditionally indemnifies and will keep the other parties indemnified from and against any Loss and Claims which may be made, brought against, suffered or incurred by the other parties arising directly or indirectly out of or in connection with any breach of any of the representations or warranties by the first party.

11 CONFIDENTIALITY

The fact and terms of this deed must be kept confidential until the lodgement of a substantial holder notice by a party.

12 PUBLIC ANNOUNCEMENT

12.1 Restrictions on public announcements

Subject to **clauses 12.2** and **11**, no press release, policy holder release or alert or other announcement relating to this deed must be made between the date of this deed and Completion without first obtaining the written consent of the other parties, such consent not be unreasonably withheld.

12.2 Announcements required by law

Clause 12.1 does not prevent a party making a public announcement in circumstances where the party or its Related Body Corporate is required to do so by law or by regulation of a recognised stock exchange provided that the party has, to the extent practicable, prior to making the announcement used its reasonable endeavours to:

(a) provide to the other parties with a copy of the intended announcement; and

- (b) give to the other parties reasonable opportunity to comment on the proposed announcement.

13 NOTICES

13.1 General

A notice, demand, certification, process or other communication relating to deed must be in writing in English and may be given by an agent of the sender.

13.2 How to give a communication

In addition to any other lawful means, a communication may be given by being:

- (a) personally delivered;
- (b) faxed to the party on the number listed below;
- (c) left at the party's current address for notices; or
- (d) sent to the party's current address for notices by pre-paid ordinary mail or, if the address is outside Australia, by pre-paid airmail.

13.3 Particulars for delivery of notices

- (a) The particulars for delivery of notices are initially:

ADL

Address: The address of ADL set out at the head of this deed.

Attention: Bill Preston

Copied to: Kensington Swan, 18 Viaduct Harbour Avenue, Private Bag 92101, Auckland 1142 New Zealand

Attention: David Lewis

Andial and Argyll

Address: The address of Andial and Argyll set out at the head of this deed.

Attention: Allan Campbell

Copied to: Holding Redlich, Level 65, MLC Centre, 19 Martin Place, Sydney NSW 2000 Australia

Attention: David Walker

- (b) Each party may change its particulars for delivery of notices by notice to each other party.

14 GENERAL

14.1 Amendment

This deed may only be varied or replaced by a document duly executed by the parties.

14.2 Waiver and exercise of rights

- (a) A single or partial exercise or waiver by a party of a right relating to this deed does not prevent any other exercise of that right or the exercise of any other right.
- (b) A party is not liable for any Loss of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

14.3 Assignment

No party may assign or novate its rights, interests or obligations under this deed without the prior written consent of each other party.

14.4 Stamp Duty

Andial must pay all Stamp Duty (including any fine or penalty except where it arises from default by the other party) on or relating to this deed and any document executed under it.

14.5 Legal costs

Each party must pay its own legal and other costs and expenses of negotiating, preparing, executing and performing its obligations under this deed.

14.6 Counterparts

This deed may consist of a number of counterparts and if so the counterparts taken together constitute one and the same instrument.

14.7 Attorneys

Each of the attorneys executing this deed states that the attorney has no notice of the revocation of that attorney's power of attorney.

14.8 Governing law and jurisdiction

- (a) This deed is governed by and is to be construed in accordance with the Laws applicable in New South Wales.

- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

..... **EXECUTED** as a deed.....

SCHEDULE 1**ADL Representations and Warranties****1 Authority**

- (a) ADL has full power and authority to enter into this deed.
- (b) ADL enters this deed as trustee for and on behalf of each Existing ADL Shares Shareholder in respect of the Existing ADL AJL Shares each Existing ADL AJL Shares Shareholder owns.
- (c) The execution and performance of this deed is not in breach of any trust, deed, contract or other obligation to which ADL is bound.

2 Existing ADL AJL Shares

- (a) Each Existing ADL AJL Shares Shareholder is sole legal and beneficial owner of the Existing ADL AJL Shares and has complete and unrestricted power and authority to sell the Existing ADL AJL Shares.
- (b) There is no Encumbrance, option, right of pre-emption, right of first refusal or other third party right over any of the Existing ADL AJL Shares.

SCHEDULE 2**Andial Representations and Warranties****1 Authority**

- (a) Andial has full power and authority to enter into this deed.
- (b) The execution and performance of this deed is not in breach of any trust, deed, contract or other obligation to which Andial is bound.

2 Andial AJL Shares

- (a) Andial is sole legal and beneficial owner of the Andial AJL Shares.
- (b) Subject to the Sponsorship Deed and the Charges, Andial has complete and unrestricted power and authority to sell the Andial AJL Shares to ADL.
- (c) Other than the Charges, there is no Encumbrance, option, right of pre-emption, right of first refusal or other third party right over any of the Andial AJL Shares.

SCHEDULE 3 - NOTICE OF EXERCISE OF ANDIAL AJL SHARES OPTION

Date:

To: Amalgamated Dairies Limited

Defined terms used in this notice have the same meaning as in the Sale and Option Deed between, inter alia, Amalgamated Dairies Limited and Andial Holdings Pty Limited (**Andial**) dated [insert] October 2012 (**Option Deed**).

Andial exercises the Andial AJL Shares Option to acquire the following number of ordinary shares in AJ Lucas Group Holdings held by ADL: _____ at the Andial AJL Shares Option Exercise Price per Share.

We undertake to effect payment of the Andial AJL Shares Option Exercise Price in accordance with clause 8.4 of the Option Deed.

Executed for and on behalf of
Andial Holdings Pty Limited by:

Signature

Name

SCHEDULE 4 - NOTICE OF EXERCISE OF EXISTING ADL AJL SHARES OPTION

Date:

To: Amalgamated Dairies Limited

Defined terms used in this notice have the same meaning as in the Sale and Option Deed between, inter alia, Amalgamated Dairies Limited and Andial Holdings Pty Limited (**Andial**) dated insert October 2012 (**Option Deed**).

Andial exercises the Existing ADL AJL Shares Option to acquire the following number of ordinary shares in AJ Lucas Group Holdings held by ADL: _____ at the Existing ADL AJL Shares Option Exercise Price per Share.

We undertake to effect payment of the Existing ADL AJL Shares Option Exercise Price in accordance with clause 9.5 of the Option Deed.

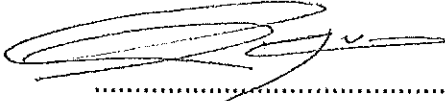
Executed for and on behalf of
Andial Holdings Pty Limited by:

Signature

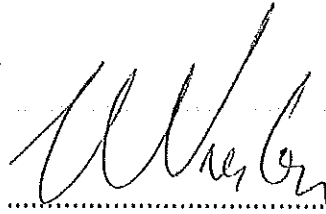
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Execution page

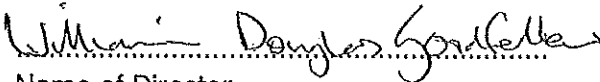
EXECUTED by AMALGAMATED DAIRIES)
 LIMITED in accordance with section 127 of)
 the Corporations Act:)



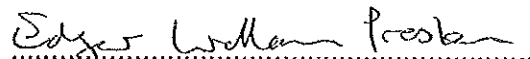
Signature of Director



Signature of Director/Secretary

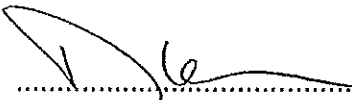


Name of Director

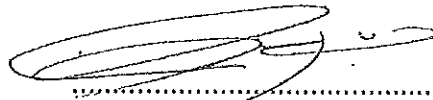


Name of Director/Secretary

SIGNED SEALED AND DELIVERED)
 by MR WILLIAM DOUGLAS)
 GOODFELLOW in the presence of:)



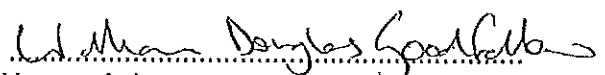
Signature of Witness



Signature

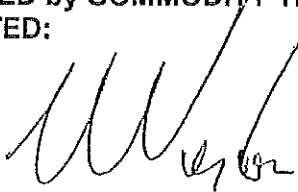


Name of Witness



Name of signatory

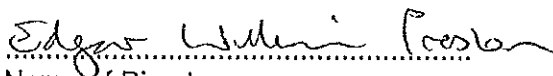
EXECUTED by COMMODITY TRADERS)
 NZ LIMITED:)



Signature of Director



Signature of Witness



Name of Director



Name of Witness

EXECUTED by ANDIAL HOLDINGS PTY
LIMITED in accordance with section 127 of
the Corporations Act:

Signature of Director

Signature of Director/Secretary

Name of Director

Name of Director/Secretary

EXECUTED by ARGYLL CAPITAL
PARTNERS PTY LIMITED in accordance
with section 127 of the Corporations Act:

Signature of Director/SECRETARY

Signature of Director/Secretary

Name of Director/SECRETARY

Name of Director/Secretary

SIGNED SEALED AND DELIVERED
by ALLAN STUART CAMPBELL in the
presence of:

Signature of Witness

Signature

Name of Witness

Name of signatory

Annexure B – Summary of relevant interests arising under the Option Deed

The relevant interests of Andial Holdings Pty Limited (Andial) in the 4,004,696 Ordinary Shares arise under the Option Deed as follows:

1. Under the Placement ADL Share Sale Agreement between Amalgamated Dairies Limited (ADL) and Andial dated 9 September 2011, ADL, on behalf of each of itself, Forty Traders Limited and ADL (Charitable and Educational account), granted Andial options to acquire each of the shares in the Company held by those persons at a price of \$1.35 per share (Placement Options).
2. Under the Option Deed, ADL, on behalf of each of itself, Forty Traders Limited and ADL (Charitable and Educational account), has granted Andial, in substitution of the Placement Options, new options to acquire each of the 4,004,696 Ordinary Shares held by those persons (Replacement Options). The Replacement Options have the following terms and conditions:
 - (a) Andial may exercise all or some of the Replacement Options at any time within a period of 18 months from 22 October 2012 by providing an exercise notice to ADL.
 - (b) The exercise price payable by Andial for each of the shares is the market price per share at the date the Replacement Options are exercised.
 - (c) Within 30 business days of receipt of the exercise notice, ADL must elect to either:
 - a. sell all of the shares to Andial;
 - b. sell some of the shares to Andial; or
 - c. not sell any of the shares to Andial.
 - (d) If ADL agrees to sell, within 7 business days of receipt of the exercise notice, ADL must sell the relevant shares to Andial.
 - (e) If ADL elects not to sell any or all of the shares to Andial, the unexercised Replacement Option lapse and Andial has no further rights in respect of those Replacement Options and will have no further relevant interest in the shares represented by those New Options.

The relevant interests of Andial in the 11,990,000 Ordinary Shares arise under the Option Deed as follows:

1. Under the Option Deed, subject to the completion of two conditions precedent, ADL will acquire 11,990,000 Ordinary Shares from Andial in partial satisfaction of a debt owing by Andial to ADL.
2. Under the Option Deed, ADL has granted Andial options to acquire the 11,990,000 Ordinary Shares (Andial Options). The Andial Options have the following terms and conditions:
 - (a) Andial may exercise all or some of the Andial Options at any time within a period of 18 months from 22 October 2012 by providing an exercise notice to ADL stating the number of Andial Options being exercised.
 - (b) The exercise price payable by Andial for each Andial Option is \$2.10.
 - (c) Andial may exercise the Andial Options at different times during the 18 month period, provided that each exercise of Andial Options has an aggregate value of at least \$5 million.
 - (d) Within 30 business days of receipt of an exercise notice, ADL must sell the relevant shares to Andial.
 - (e) If Andial has not exercised any of the Andial Options by the end of the 18 month period, the unexercised Andial Options lapse and Andial has no further rights in respect of those Andial Options and will have no further relevant interest in the shares represented by those Andial Options.

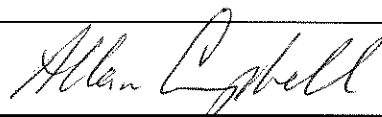
I certify that this is a true and accurate statement of the relevant interests arising under the Option Deed.

Signature

print name ALLAN STUART CAMPBELL

capacity Director

sign here



date 29/10/2012