



Viculus Limited
ACN 074 976 828
Suite 32, Level 18, 101 Collins
Street
MELBOURNE VIC 3000

4 August 2014

Manager
Company Announcements Office
ASX Limited
Level 4, North Tower, Rialto
525 Collins Street,
Melbourne VIC 3000


Dear Sir/Madam,

**Takeover offer by Viculus Limited (ACN 074 976 828) for Euro Petroleum Ltd
(ACN 147 870 362) - Bidder's Statement**

We enclose by way of service pursuant to section 633(1) step 5 of the *Corporations Act 2001* (Cth), a copy of Viculus Limited's (**Viculus**) Bidder's Statement dated 1 August 2014 pursuant to which Viculus is making an off-market bid for all of the shares in Euro Petroleum Ltd.

The Bidder's Statement has been lodged with the Australian Securities and Investments Commission and has been sent to Euro Petroleum Ltd.

Yours faithfully,


Emily D'Cruz
Managing Director
Viculus Limited

For enquiries:
Viculus Limited
Ph: 61 3 9221 6394



Bidder's Statement in relation to a Takeover Offer

by **Viculus Limited (ACN 074 976 828)** to acquire **ALL** of your ordinary shares in **Euro Petroleum Ltd (ACN 147 870 362)** for one (1) ordinary share in Viculus Limited per every one (1) share held in Euro Petroleum Ltd.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you do not understand this document, you should consult your broker, financial adviser or legal adviser without delay.

Financial Adviser to Viculus Ltd:



Legal Adviser to Viculus Ltd:



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1. IMPORTANT INFORMATION

Bidder's Statement

This document (**Bidder's Statement**) is dated 1 August 2014 is issued by Viculus Ltd (ACN 074 976 828) (**Viculus**), a public company incorporated in Australia and listed on the ASX, in connection with its off-market takeover bid (**Takeover Bid or Offer**) for all ordinary shares in Euro Petroleum Ltd (ACN 147 870 362) (**Euro**) under Part 6.5 Division 2 of the Corporations Act.

Under the Takeover Bid, Euro Shareholders are being offered one (1) Viculus Share for every one (1) Euro Share held and Euro Optionholders are being offered one (1) Viculus Option for every one (1) Euro Option that is cancelled in connection with the Takeover Bid or Offer.

A copy of this Bidder's Statement was lodged with ASIC on 1 August 2014 and this Bidder's Statement is dated 1 August 2014. Neither ASIC nor its officers take any responsibility for the contents of this Bidder's Statement.

The Offer Period under the Takeover Bid is between 7 August 2014 and 8 September 2014.

Individual financial circumstances

Viculus has not considered the needs of individual Shareholders when making the Offer, including any taxation, business or financial considerations that you may need to take into account in relation to the Offer. Before making a decision whether to accept the Offer, you may wish to seek the advice of your financial, legal or other professional adviser.

Disclosure as to Forward-Looking Statements

Some of the statements made in this Bidder's Statement may be classified as forward-looking statements, being predictions which carry inherent known and unknown risks and uncertainties. These risks and uncertainties may include but are not limited to risks inherent in the mining exploration industry as well as general legal and economic conditions currently prevailing in Sri Lanka (where Euro's assets are located).

Viculus and its officers, including anyone named in or involved in the preparation of this Bidder's Statement, do not make any representation or warranty (express or implied) of the accuracy or likelihood of any forward-looking statement including any events or results so described being fulfilled. We therefore caution that you should not place undue reliance on any forward-looking statement contained in this Bidder's Statement.

Disclaimer as to information about Euro

Information in this Bidder's Statement which relates to Euro has been prepared from publicly available information and has not been independently verified. Viculus and its officers including anyone named in or involved in the preparation of this Bidder's Statement do not make any representation or warranty (express or implied) of the accuracy or completeness of such information. Further information in relation to Euro may be obtained from Euro's Target's Statement which must be provided to Euro Shareholders in response to this Bidder's Statement.

Privacy

Viculus has collected your information from the Euro Shareholder register for the purpose of making this Offer, and if you accept, administering your acceptance. Your information may be disclosed to the Australian Taxation Office, ASIC, other government agencies and regulatory bodies, related corporate entities, agents or other service providers to the extent allowed by the law.

Defined Terms

A number of defined terms are used in this Bidder's Statement. Unless expressly specified otherwise, defined terms have the meaning given in Section 14.

2. KEY DATES

Heads of Agreement executed and announced	11 February 2014
Notice of General Meeting dispatched to VCL Shareholders	22 July 2014
Bidder's Statement and Target's Statement lodged with ASIC	1 August 2014
Company to release Bidder's Statement to Target and ASX	1 August 2014
Target to release Target's Statement to Company and ASX	1 August 2014
Bidder's Statement and Target's Statement to be sent to Euro Shareholders	7 August 2014
Prospectus lodged with ASIC	11 August 2014
Prospectus released to market	18 August 2014
Company holds General Meeting to approve Transaction	25 August 2014
Prospectus offer closes	1 September 2014
Takeover Bid offer closes	8 September 2014
Expected Allotment Date of Offer Consideration	15 September 2014
Readmission of Company to ASX	22 September 2014

*Please note that the dates set out in the above timetable are likely to be varied in accordance with the Corporations Act, and, where required, in consultation with ASX. Any changes to the above timetable will be released to ASX. These dates are indicative only and subject to change. The Company reserves the right to vary the dates without prior notice.

**The Record Date is the date for determining which Euro Shareholders the Bidder's Statement and Target's Statement will be sent. The Offer extends to all fully paid Euro Shares that are issued as at the Record Date and that are issued after the Record Date and before the date the Takeover Bid closes, whether by way of conversion of, or an exercise of a right attaching to, any securities that existed as at the Record Date or otherwise.

3. MANAGING DIRECTOR'S LETTER

Dear Euro Shareholders,

Takeover Bid for Euro Petroleum Ltd

On behalf of the Directors of Viculus Ltd (**Viculus**), I am pleased to have been given the opportunity to present an Offer by Viculus to acquire all of your shares in Euro Petroleum Ltd (**Euro**).

Viculus is an ASX listed company but is currently suspended and not trading. Viculus is offering to acquire all of your shares in Euro by way of an off market takeover offer under which you will receive, subject to the terms and conditions of the offer, one (1) Viculus Share for every one (1) Euro Share you hold and one (1) Viculus Option for every one (1) Euro Option you hold (**Takeover Bid or Offer**).

In conjunction with the Takeover Bid, Viculus will also issue and allot Viculus Options to three (3) directors and one (1) outgoing director of the Company and will seek to raise between \$3.5-5 million and seek re-admission to the official list of the ASX by re-complying with Chapter 1 and 2 of the ASX Listing Rules.

This Offer represents an attractive price for your Euro Shares when compared to the subscription price, or transfer price, paid for your Euro Shares (based on the Merged Entity's relisting at \$0.20 per share).

Graphite mining in Sri Lanka

Euro, through its wholly owned subsidiary, Lanka Graphite Holdings Pty Ltd, holds the right to acquire 70% of Lanka Graphite Pvt Ltd, a company incorporated in Sri Lanka. Lanka Graphite Pvt Ltd holds 5 granted Tenements and has filed a further 4 Exploration Licence Applications over areas that may be prospective for graphite.

Sri Lankan graphite is defined as vein or lump graphite and is unique in the world due to its purity and particle size.

Since 2009, the Sri Lankan government has opened significantly to foreign investors, and provided for the first time an opportunity for foreign companies to embark on mining activity of graphite on a commercial scale.

Sri Lankan graphite has the potential to be a significant supplier to new markets for graphite; specifically in the battery and graphene markets.

Advancing graphite exploration projects in Sri Lanka

If Completion of the Takeover Bid occurs, Viculus believes that the Offer is an excellent opportunity for you to become part of a larger merged entity (**Merged Entity**) listed on the ASX. Besides having a stronger balance sheet, the public listing of the Merged Entity is likely to provide a stronger fund raising capability to secure the funding to realise Euro's acquisition and advancement of its graphite exploration projects in Sri Lanka.

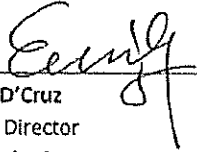
The Merged Entity will also possess a strong board and management team with the requisite skills and expertise to oversee and advance the graphite mining exploration projects in Sri Lanka.

I encourage you to read this Bidder's Statement carefully, including the risk factors set out in Section 10 before accepting the Offer.

To accept the Offer, please follow the instructions set out in the enclosed Acceptance Form. The Offer will close at 5 pm on 8 September 2014 unless an extension applies according to the law.

I look forward to your acceptance of the Offer, and you taking hold of the exciting opportunities that lay ahead of us in the graphite exploration and mining industry in Sri Lanka.

Yours sincerely,



Emily Lee D'Cruz
Managing Director
Viculus Limited

4. SUMMARY OF THE OFFER

What is the Offer?	<p>Viculus proposes to issue and allot to Euro Security holders:</p> <ul style="list-style-type: none">• One (1) Viculus Share for every one (1) Euro Share held; and• One (1) Viculus Option for every one (1) Euro Option held and cancelled pursuant to the Bid Conditions.
What brokage fees or stamp duty is payable?	<p>You do not need to pay any brokerage fees or stamp duty when you accept the Offer.</p>
When does the Offer close?	<p>The Offer closes at 5 pm on 8 September 2014 unless an extension applies under the law.</p>
Can the Offer Period be extended?	<p>The Offer Period can be extended at Viculus's election, up to a maximum period of 12 months after the opening date of the Offer Period. Euro Shareholders will be provided with written notice of any extension and the extension will be announced to ASX.</p>
What choices do I have as a Euro Shareholder?	<p>As a Euro Shareholder, you have the following choices in respect of your Euro Shares:</p> <ul style="list-style-type: none">(a) accept the Offer;(b) sell all or some of your Euro Shares outside of the Offer, but as Euro Shares are not listed on any securities exchange, this may be difficult for you to do; or(c) do nothing.
When will you receive your Viculus shares and options?	<p>You should receive your Viculus Shares and Viculus Options on or before the later of:</p> <ul style="list-style-type: none">(a) one month after the date the Offer becomes or is declared unconditional; and

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- (b) one month after the date you accept the Offer if the Offer is, at the time of acceptance, unconditional, but, in any event (assuming the Offer becomes or is declared unconditional), no later than 21 days after the end of the Offer Period.
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Key conditions of the Offer

The Offer is subject to the following key conditions (among other conditions):

- At the end of the Offer Period, Viculus and its Associates having a Relevant Interest in more than 80% (by number) of all of the Euro Shares both on a undiluted and on a fully-diluted basis;
 - All Euro Option holders accepting the cancellation of their Euro Options in consideration for the issue of one (1) Viculus Option for every one (1) Euro Option cancelled;
 - The passage of all resolutions put to Viculus Shareholders at the Viculus Annual General Meeting of Shareholders to be held to approve the Transaction;
 - The Minimum Subscription being reached under the Capital Raising, being the raising of \$3,500,000;
 - ASX consenting to the Re-Admission of Viculus to the official list of the ASX;
 - Conditions precedent under the Takeover Agreement being satisfied, including in particular completion of the acquisition by Euro of 70% of Lanka Graphite SL which holds the Tenements;
 - No Viculus or Euro Prescribed Occurrence occurs in the period between the date on which the Takeover Agreement is entered into and the Completion Date of the Takeover Bid; and
 - During the relevant period, Euro does not experience a Material Adverse Change.
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What happens if the Conditions are not satisfied or waived? If the Bid Conditions are not satisfied before the Offer closes or waived within the prescribed period, then the Offer will lapse and your acceptance of the Offer will be void.

If this occurs, you will continue to hold your Euro Shares and be free to deal with them as if the Offer had not been made.

How do you accept the Offer? To accept this Offer, you must complete and sign the Acceptance and Transfer Form enclosed with this Bidder's Statement in the self-addressed envelope also enclosed or to the address below:
Attn: Derek Lo, Company Secretary
Viculus Limited
Suite 32, Level 18, 101 Collins Street, Melbourne VIC 3000

Can you accept the Offer for only some of your Euro Shares? No. You cannot accept the Offer for only part of your Euro shareholding unless you hold the Shares as trustee or nominee for, or otherwise on account of, more than one person.

If I accept the Offer can I withdraw my acceptance? You cannot withdraw or revoke your acceptance unless a withdrawal right arises under the Corporations Act.

A withdrawal right will arise if, after you have accepted the Offer, Viculus varies the Offer in a way that postpones for more than 1 month the time that Viculus has to meet its obligations under the Offer (for example, if Viculus extends the Offer Period for more than 1 month while the Offer remains subject to any of the Conditions).

What happens if Viculus improves the Offer Consideration? If Viculus improves the Offer Consideration, all the Euro Shareholders who accept the Offer (whether or not they have accepted the Offer before or after such improvement) will be entitled to the benefit of the improved Offer Consideration, should the Offer become or be declared unconditional.

Will my new Viculus Shares be listed on the ASX? Within 7 days of the date of this Bidder's Statement, Viculus will apply to ASX for Official Quotation of the new Viculus Shares to be issued as Offer Consideration. Quotation of the new Viculus Shares depends on ASX exercising its discretion to admit them to quotation on ASX.

	<p>Viculus's shares are currently suspended from trading on the ASX. Viculus's Shares will continue to be suspended from trading on the ASX until Viculus recomplies with Chapters 1 and 2 of the ASX Listing Rules and receives from ASX approval to be re-admitted to the ASX following completion of the Takeover Bid.</p>
<p>Will my Viculus Shares be restricted from trading?</p>	<p>Viculus Shares issued as Offer Consideration may be subject to trading restrictions for a period of time in accordance with the ASX Listing Rules, depending on:</p> <ul style="list-style-type: none"> • whether or not you are a related party or promoter of Viculus or Euro or have acquired shares in Euro from promoters of Euro; • the amount of cash that you paid for your Euro Shares; and • the date of issue of your Euro Shares.
<p>What if you are a foreign Euro Shareholder</p>	<p>You will not be entitled to receive Viculus securities as consideration for your Euro securities pursuant to the Offer if, for the purposes of the Offer, your address (as shown in the register of members of Euro) is in a jurisdiction other than Australia or its external territories or New Zealand, unless Viculus is satisfied that it is not legally or practically constrained from making the Offer to a Euro security holder in the relevant jurisdiction and to issue Viculus Shares to such a security holder on acceptance of the Offer, and that it is lawful for the Euro Securityholder to accept the Offer in such circumstances in the relevant jurisdiction.</p> <p>Viculus's securities which would otherwise have been issued to a foreign Euro Securityholder will instead be issued to the Sale Nominee who will sell these Viculus securities</p> <p>The proceeds of the sale (less any transaction costs) of such Viculus Securities will then be remitted to the relevant foreign Euro Securityholder.</p>

What will happen if you do not accept the Offer?	You will retain your Euro Shares. If Viculus becomes entitled under the law to compulsorily acquire your Euro Shares and it intends to proceed with the compulsory acquisition, Viculus will acquire your Euro Shares on the same conditions of this Offer.
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Are there risks if I accept the Offer?	Yes, if you accept the Offer, and it becomes unconditional, you will be issued new Viculus Shares and Viculus will acquire Euro. There are risks in holding Viculus Shares.
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The financial and operational performance of Viculus's business, and the value and trading prices for Viculus Shares will be influenced by a range of risks. Many of these risks are beyond the control of Viculus's Board and management.

Section 10 of this Bidder's Statement provides a detailed explanation of these risks.

When will you receive your consideration?	If you accept the Offer, Viculus will issue you Viculus Shares as consideration for your Euro Shares on or before the earlier of:
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- a) one month after you have validly accepted the Offer or the contract resulting from its acceptance has become unconditional (whichever is later); and
- b) 21 days after the end of the Offer Period.

provided that you have provided all documents required for acceptance of the Offer with your acceptance.

If you accept the Offer and you are an Ineligible Foreign Shareholder, you will not be entitled to receive Viculus Shares as consideration for accepting the Offer in respect of your Euro Shares. In these circumstances, the Viculus Shares which would otherwise have been issued to you will instead be issued to the Sale Nominee who will sell those Viculus Shares and remit the proceeds (less transaction costs) of such sale to you by cheque in Australian dollars.

Will I need to pay any transaction costs if I accept the Offer?	You will not incur any brokerage fees or be obliged to pay stamp duty or GST in connection with your acceptance of the Offer.
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What are the tax implications of accepting the Offer?

A general summary of the Australian tax consequences for Euro Shareholders who accept the Offer is set out in Section 12. This summary is expressed in general terms only and is not intended to provide taxation advice for your specific circumstances. Euro Shareholders should seek their own taxation advice in relation to the Offer.

Further Information

If you require any further information, please contact:

Attn: Derek Lo, Company Secretary
Viculus Limited
Suite 32, Level 18, 101 Collins Street, Melbourne VIC 3000
Tel: 03 9221 6394

Summary only

The information in this section 4 of this Bidder's Statement is only a summary.

Please read and consider the whole of this Bidder's Statement when considering whether to accept this Offer.

5. REASONS WHY YOU SHOULD ACCEPT THIS OFFER

Viculus Limited (ACN 074 976 828) (Viculus) and Euro Petroleum Ltd (ACN 147 870 362) (Euro) entered into a Heads of Agreement on 11 February 2014 (Takeover Agreement), under which it was agreed that Viculus would make an off-market takeover bid pursuant to Chapter 6 of the Corporations Act for all issued share capital in Euro (Takeover Bid).

Viculus believes you should ACCEPT the Offer for the following reasons:

- **You will receive attractive value for your Euro Shares;**
- **You will gain ASX share trading liquidity;**
- **You will benefit from a strengthened board and management team;**
- **Euro Board unanimously recommends that you accept the Offer;**
- **You may be eligible for capital gains tax rollover relief;**
- **There are risks associated with not accepting the Offer; and**
- **The Offer is currently the only proposed transaction before Euro.**

The above is only a headline summary of some of the reasons why you should accept the Offer. Some of these reasons are explained further below.

5.1. You will receive attractive value for your Euro Shares and Euro Options

Under the Offer, you will receive one (1) Viculus Share for every one (1) Euro Share which values your Euro Shares at \$0.20 per Euro Share and one (1) Viculus Option for every one (1) Euro Option held.

The Offer represents an attractive price for your Euro Shares when compared to the subscription price, or transfer price, paid for your Euro Shares (based on the Merged Entity's relisting at \$0.20 per share).

However, the implied value of the Takeover Bid will change as a consequence of changes in the market price of Viculus Shares from time to time.

Viculus has adopted a value of \$0.20 per Viculus Share (on completion of the Takeover Bid) on the basis that this is the price that Viculus Shares are being offered to investors under the Prospectus Offer. If investors do not agree with this valuation and do not subscribe under the Prospectus Offer, Viculus may not be able to raise at least \$3.5 million under the Prospectus. In those circumstances,

the current intention of the Viculus Directors is to not proceed with the Takeover Bid. However, Viculus Directors, reserve the right, with Euro's consent, to waive the Prospectus Offer Condition to the Takeover Bid and proceed with the Offer.

5.2. You will gain ASX share trading liquidity

Viculus is ASX listed but currently suspended from trading. Viculus will resume trading on the successful completion of the Offer. As Viculus is offering to issue Viculus Shares as consideration for your Euro Shares, you will, if you accept the Offer, gain the ability to trade the Viculus Shares that you receive as Offer Consideration on ASX should the Offer be successful (subject to any trading restrictions that may apply to your Viculus Shares).

Gaining share trading liquidity on ASX has been a key objective of Euro's Board for several years and this Offer provides you the opportunity to realise this objective and associated benefits.

Furthermore, the Merged Entity, being a public listed entity, will be in a good position to advance the graphite mining exploration opportunities associated with the Tenements and Exploration Licence Applications.

The Viculus Board anticipates that, as a publicly listed entity, the Merged Entity will possess a strong balance sheet when compared to Euro, with improved fundraising capability, and the financial capacity to progress its graphite mining exploration projects.

5.3. You will benefit from a strengthened board and management team

Following the Offer, you will continue to benefit from the expertise of the Euro Board and management team and will also benefit from the additional expertise of Viculus's current directors.

Jitto Arulampalam of Euro, and Emily D'Cruz, Alison Coutts and Dr Alex Cowie of Viculus, each have considerable commercial and industry experience (see section 6 for more information) which will complement and strengthen the Board and management team responsible for maximising the value of your investment post Offer.

As a result, the Merged Entity will have a strong board and management team that can advance Euro's Sri Lankan exploration projects.

5.4. Euro Board unanimously recommends that you accept the Offer

The Euro Board, in the absence of a superior proposal, unanimously recommends that Euro Shareholders accept the Offer. This unanimous recommendation is contained in the Target's Statement to be provided by Euro.

The members of the Euro Board have also indicated that they intend, in the absence of a superior proposal, to accept and/or procure the acceptance of the Offer in respect to all of the Euro Shares that they control.

5.5. You may be eligible for capital gains tax rollover relief

Euro Shareholders may have access to scrip for scrip rollover relief, in which case you will not incur capital gains tax (CGT) as a result of accepting the Offer. Please refer to section 12 for further detail on the taxation consequences.

6. INFORMATION ABOUT VICULUS LIMITED

6.1 Overview of Viculus Limited

Viculus Ltd (**Viculus**) is a public company listed on the official list of the ASX (ASX: VCL) since 27 October 1997.

As at the date of this Bidder's Statement, Viculus does not carry out any business activities and currently holds no business assets. Viculus is currently suspended from trading. Viculus is required to acquire assets and apply to be readmitted to the official list of the ASX. Viculus will be required to re-comply with the admission requirements under Chapters 1 and 2 of the ASX Listing Rules to be readmitted.

Viculus has, however been actively seeking to identify and evaluate potential investment opportunities for Viculus.

As announced on ASX on 11 February 2014, Viculus has entered into a Heads of Agreement with Euro). Under the terms of the Heads of Agreement, Viculus has agreed to make an off-market takeover bid for all of the issued shares in Euro (**Takeover Bid**).

Euro proposes to recommend the off-market Takeover Bid to Euro Shareholders in respect of the Euro Shares and Euro Options and Euro has agreed to cooperate with Viculus to facilitate the Takeover Bid.

6.2 Current Viculus Capital Structure

The effect of the Offer (and Prospectus Offer) on the capital of Viculus is set out below, assuming no Viculus Options are exercised or other Viculus Shares issued other than as contemplated by this Bidder's Statement and the Prospectus Offer.

(a) Shares

	Min Raising (\$3.5 million)	Max Raising (\$5 million)
Shares on Issue as at the date of this Bidder's Statement	10,173,860	10,173,860
Viculus Shares to be issued under the Capital Raising	17,500,000	25,000,000
Viculus Shares to be issued to Euro Shareholders as consideration under the Offer	39,551,350	39,551,350
Total Number of Viculus Shares on Issue following completion of the Takeover Bid	67,225,210	74,725,210

(b) Options

Details	No. of Options	Exercise Price	Expiry
Options on Issue as at the date of this Bidder's Statement	0	N/A	N/A
Directors Options	5,500,000	\$0.30	36 months after the date of issue
Viculus Options to be issued to Euro Optionholders as consideration under the Takeover Bid	9,750,000	\$0.30	36 months after the date of issue
Total Viculus Options on issue if Completion of the Takeover Bid occurs	15,250,000	\$0.30	N/A

6.3 Effect on Substantial Shareholders

The acquisition of Euro will impact the substantial shareholders of Viculus. Based on current shareholdings, the table below summarises the expected substantial shareholders of Viculus on completion of the Offer (on a post-Consolidation basis).

Rank	Holder	No. of Shares
1	It's a Breeze Emerging Fund Pty Ltd	7,700,000
2	Karmax Ltd	3,000,000
3	Rogue Investments Pty Ltd	2,150,000
4	Bernard Newport	2,102,500
5	Bonvilla Constructions Pty Ltd.	1,520,000
6	Invest Mining Pty Ltd	1,400,000
7	Wingo Investments Corporation	1,000,000
8	Shi-Chung Chang	1,000,000
9	Peter Biantes and Yajune Gu	1,000,000
10	Gerard and Mark Luxon ATF the G & M Superfund	1,000,000

11	Balanjali Mandaleson	1,000,000
12	MDRA Pty Ltd	900,000
13	KSJ Super Fund Pty Ltd	763,040
14	LJR Constructions Pty Ltd	760,000
15	PeiFen Lee	700,000
16	Harry Doumbos	650,000
17	Chopper Heaven Pty Ltd ATF the Steven Malotsis Investment Trust	600,000
18	Thunder Investments Pty Ltd	525,000
19	Ms Shi Hu Hu	500,000
20	A&A Cannavo Nominees Pty Ltd ATF Anthony's Meats Superannuation Fund*	500,000
	Total	28,770,540

6.4 Business Model

Following the successful Completion of the Takeover Bid, Viculus will become a mining exploration company and proposes to focus on the exploration and development of mining Tenements in Sri Lanka. This will include the following principal exploration activities:

- (a) Aerial and satellite mapping of the Tenements;
- (b) Geophysical surveys using airborne electromagnetic surveys;
- (c) Cleaning and dewatering of shafts and adits, allowing access to graphite vein exposures for mapping and sampling purposes;
- (d) A core drilling programme to target the high priority targets, aimed at delineating graphite mineralisation, testing geophysical targets and providing material to assess the properties of the graphite; and
- (e) A geological modelling and resource estimation programme.

As a mining exploration company, Viculus will not generate income until it can establish that graphite exists at the Tenements and that such graphite (if any) is commercially recoverable and can be mined and sold. There is no guarantee that this can be achieved.

Viculus may also generate income by a sale of its assets and/or obtaining royalties from the sale or other dealing with the Tenements. This is no guarantee that this can be achieved.

6.5 Directors

The Directors of Viculus as at the date of this Bidder's Statement are:

Name	Position
Ms Emily D'Cruz	Managing Director
	<p>Emily D'Cruz is currently the Managing Director of Viculus</p> <p>Emily is a Melbourne based businesswoman with a substantial track record of success in the corporate and government sectors in Australia and Asia. Emily is currently the Managing Director of Mercer Capital, a boutique private equity firm based in Melbourne. Mercer Capital and its personnel has built a significant investor network globally and has been actively involved in M&A, corporate restructures, capital raisings, as well as back door listings and administration of public companies listed on the ASX. Mercer Capital recently raised more than \$6 million as part of an underwriting agreement with ASX listed biotech company Progen Pharmaceuticals Limited (ASX:PGL). Emily is also widely consulted by government bodies in Australia and Asia.</p>
Dr Alex Cowie	Non-Executive Director
	<p>Dr Cowie was appointed as a Non-Executive director of Viculus on 23 May 2014.</p> <p>Dr Alex Cowie is currently the Chief Market Strategist of Livewire Markets, Australia's leading research distribution platform for market professionals. Alex was previously the Editor of Diggers and Drillers where he pioneered a strategic minerals strategy with a focus on the growing opportunities of ASX-listed junior resource equities.</p> <p>In early 2012, Alex was the first in Australia to publish research on highly successful graphite explorer Syrah Resources. He is a regular speaker and commentator on the graphite industry at several leading mining conferences, including Mines and Money Australia and Hong Kong.</p> <p>Alex holds a Master of Applied Finance through Kaplan Education, where he focused on Mining Valuation, Marketing, and Strategic Management. He has a strong network of contacts across Australia's resource-focused brokers and funds, particularly those interested in graphite.</p>
Ms Alison Coutts	Non-Executive Director
	<p>Ms Coutts was appointed as a Non-Executive Director of Viculus on 23 May 2014.</p> <p>Alison has extensive experience across a number of industry sectors and</p>

disciplines. This includes international engineering project management in large oil and gas projects with the Bechtel Corporation in the UK, USA and NZ, strategy consulting, management training and organisational structuring with the Boston Consulting Group, and executive search with Egon Zehnder. For a year she also lectured in Physical Chemistry at the University of the West Indies in Barbados.

Alison is formerly Chair of CSIRO's Health Sector Advisory Council and was a founder and director of eG Capital, which was a preeminent financial advisory firm in the Australian Life Sciences sector.

Most recently, Alison has focused on advising and raising capital for a number of emerging technology companies. In addition to the above, she has also founded a clinical stage drug development company and two medical device companies.

Alison has a degree in Chemical Engineering from the University of Melbourne and an MBA with Distinction from the Melbourne Business School, where she also won the CRA prize in Business Policy. She also has a Graduate Diploma in Biotechnology from the University of Melbourne.

Alison is also Executive Chairman of NuSep Ltd and a Non-Executive Director of DataDot Ltd.

Mr Derek Lo

Non-Executive Director

Derek is a solicitor who practises primarily in corporate and commercial law.

Derek acts for corporations and individuals based in Australia and elsewhere in the Asia Pacific region. He has advised clients from a range of industries including manufacturing, wholesale, retail, financial services, international trade, professional services, education and construction.

Derek has provided strategic advice to Australian and overseas businesses on international trade and establishing new enterprises in foreign jurisdictions. He frequently presents at seminars for business people and is a regular guest presenter on SBS Radio.

Upon completion of the takeover and readmission of Viculus, Jitto Arulampalam (Chairman of Euro) will be appointed as Executive Chairman of Viculus and Alison Coutts and Alex Cowie will be re-appointed as Non-Executive Directors. Viculus may also seek to appoint additional directors who will add value and appropriate skills to the board of Viculus.

Jitto Arulampalam – Profile

Pursuant to the Takeover Bid, it is proposed that Jitto Arulampalam come to the Viculus Board from Euro Petroleum Ltd.

Jitto has considerable experience as a director of various listed public companies in Australia. He is currently Chairman of Euro Petroleum Ltd and Non – Executive Chairman of Progen Pharmaceuticals Ltd (ASX:PGL) has previously held positions as Chair of Fortis Mining (now Kazakhstan Potash Corporation Ltd (ASX:KPC)), Great Western Exploration, Medicvision Limited and Atos Wellness Limited.

6.6 Information about Viculus Securities

(a) Rights and Liabilities attaching to Viculus Shares

Issue of Viculus Shares

The issue of Viculus Shares and Viculus Options by Viculus is under the control of the Directors, subject to the Corporations Act, ASX Listing Rules and any rights attached to any special class of shares.

Transfer of Viculus Shares

Pursuant to the Constitution of Viculus (**Constitution**), a Viculus Shareholder may transfer a Viculus Share by any means permitted by the Corporations Act or by law.

Viculus participates in the share registration and transfer system known as CHES, which is operated by ASX under the Security Clearing House Business Rules. Under CHES, Viculus may issue holding statements in lieu of share certificates. Viculus is not permitted to charge any fee for registering a transfer of Viculus Shares. The Directors may refuse to register a transfer of Viculus Shares only if the refusal would not contravene the Corporations Act or the Listing Rules, where the registration would create a new parcel of Unmarketable Securities.

Variation of Viculus Shares

The rights attached to any class of Viculus Shares may, unless their terms of issue state otherwise, be varied with the written consent of 75% of the holders of issued shares of the affected class, or authorised by a special resolution passed at a separate meeting of the holders of the shares of the affected class.

Meetings of members (General meetings)

The Viculus Directors may call a meeting of members whenever they think fit.

Members of Viculus (**Members**) may call a meeting in accordance with the Corporations Act. Pursuant to the Constitution, the Notice of General Meeting sent to Viculus Shareholders must contain certain information. The Constitution contains provisions prescribing the content requirements for notices of meetings sent to Members. All Members are entitled to attend, and will receive at least 21 days notice of a general meeting. However, please note that as Viculus is an ASX listed company a 28 day notice period applies. A quorum for a general meeting is two (2) Members

who are eligible to vote at the general meeting, or, if only one (1) Member is entitled to vote, that Member.

Viculus will hold an annual general meeting in accordance with the Corporations Act and the Listing Rules.

Voting rights

Subject to any rights or restrictions for the time being attached to any Viculus Shares or class of shares of Viculus, each Viculus Shareholder, whether present in person or by proxy, attorney or representative at a meeting of Viculus Shareholders, has one vote on a show of hands and one vote on a poll for each fully paid share held and a fraction of a vote for each partly paid share, equivalent to the proportion paid up on that share. Resolutions of members will be decided by a show of hands unless a poll is demanded.

A poll may be demanded by the chairperson of the meeting, at least five (5) Viculus Shareholders (or their proxy, attorney or representative) entitled to vote on the resolution, or any one Viculus Shareholder holding not less than 5% of the votes that may be cast on the resolution on a poll.

Directors

The business of the Viculus is to be managed by or under the direction of the Viculus Directors. Viculus must have at least three (3) Directors and not more than twelve (12). The Viculus board of Directors (**Viculus Board**) may appoint a person to be a Viculus Director at any time, but any such Viculus Director must retire at the next annual general meeting (at which meeting he or she may be eligible for election as director).

Viculus in general meeting may elect Viculus Directors by ordinary resolution.

At each annual general meeting, with the exception of the managing director of Viculus and those Viculus Directors appointed by the Viculus Board, one third of the Viculus Directors and any Viculus Director who will have been in office for three (3) or more years must retire from the Board, and are eligible for re-election.

The aggregate remuneration of the non-executive Viculus Directors must not exceed the amount last fixed by ordinary resolution.

Dividends

The Viculus Directors may pay any interim and final dividends as, in their judgment, the financial position of Viculus justifies.

Subject to any rights attaching to shares which may in the future be issued with special or preferred rights, the Viculus Directors may fix the amount, the time for payment and the method of payment of a dividend. Subject to any special rights attaching to shares (such as preference shares), dividends will be paid proportionately. Viculus is not required to pay any interest on dividends.

Investors should note that it is unlikely that Viculus will pay any dividends in the near future.

Winding Up

On a winding up of Viculus a liquidator may, with the sanction of a special resolution of the Viculus Shareholders, divide among the Viculus Shareholders the property of Viculus in proportion to the Viculus Shares held by them. The liquidator may determine how the division is to be carried out as between the members or different classes of members.

(b) Rights and liabilities attaching to Viculus Options

As at the date of this Bidder's Statement, Viculus has no options on issue.

Pursuant to the Takeover Bid, it is proposed that 9,750,000 Viculus Options be issued to Euro Optionholders as consideration for the cancellation of the Euro Options. In the event that Completion of the Takeover Bid is achieved, Viculus will therefore have 15,250,000 Viculus Options on issue, including Options to be issued to Viculus' current directors

The Viculus Options offered to Euro Optionholders will be issued on the terms and conditions below. All other terms and conditions of the Viculus Options will be in accordance with the requirements of the Listing Rules.

Viculus Options Not Listed

Viculus Options are transferable and will not be quoted on the ASX. If Viculus' ordinary shares have been admitted to quotation by the ASX then Viculus must apply to the ASX within ten (10) business days after the date of issue of any shares issued upon exercise of the Viculus Options, for such shares to be admitted to quotation.

Entitlement

Each Viculus Option entitles the holder to subscribe for one Viculus Share upon exercise of the Viculus Option. All shares issued on the exercise of the Viculus Options will rank equally with all existing ordinary shares in the capital of Viculus

Exercise Price

The amount payable upon exercise of each Viculus Option will be \$0.30 ('Exercise Price').

Expiry Date

The Viculus Options shall expire upon 36 months from the date of issue of the Viculus Options ('Expiry Date') and are exercisable at any time on or prior to the Expiry Date ('Exercise Period'). Viculus Options not exercised before the Expiry Date will lapse upon the Expiry Date.

Notice of Exercise

The Viculus Options shall be exercised during the Exercise Period by making notice in writing to Viculus in accordance with the Viculus Option certificate and payment of the Exercise Price for each Viculus Option by electronic funds transfer or any other means of payment by Viculus.

Reorganisation of capital

If, prior to the expiry of the Viculus Options, there is a reorganisation of the issued capital of Viculus then the rights of an Viculus Option holder will be changed to the extent necessary in order to comply with the Listing Rules applying to a reorganisation of capital, as are applicable at the time of the reorganisation.

Participation in new issues of securities

A Viculus Option holder may only participate in new issues of securities to holders of ordinary shares in Viculus to the extent the Viculus Option has been exercised and the shares allotted in respect of the Viculus Option before the record date for determining entitlements to the issue. Viculus must give reasonable notice to the Viculus Option holder of any new issue before the record date for determining entitlements to that issue in accordance with the Listing Rules.

Bonus issues

If Viculus makes a bonus issue of shares pro rata to holders of ordinary shares, the number of shares over which a Viculus Option is exercisable will be increased by the number of shares which the holder would have received if the Viculus Option had been exercised before the record date for the bonus issue.

(c) Relevant Interests in Euro Shares and Euro Options

Prior to the Completion of the Takeover Bid, the Viculus Directors and company secretary of Viculus had Relevant Interests in Euro Shares and Euro Options as set out in the table below:

Director	Shares	Options
Emily DÇruz	Nil	Nil
Alison Coutts	Nil	Nil
Alex Cowie	Nil	Nil
Derek Lo	Nil	Nil

After Completion of the Takeover Bid has occurred, the Viculus Directors will have a relevant interest in Shares and Options as set out below:

Director	Shares	Options
Emily DÇruz	Nil	4,000,000
Alison Coutts	Nil	500,000
Alex Cowie	Nil	500,000
Jitto Arulampalam	Nil	3,000,000
Derek Lo (Company Secretary)	Nil	500,000

(Directors' Remuneration)

The remuneration paid by the Company to each Director is as follows:

- (a) Emily D'Çruz (Executive Director): \$150,000 per annum, being comprised of a salary of \$120,000 and a further \$30,000 in consulting fees;
- (b) On appointment, Jitto Arulampalam (Executive Chairman): \$150,000 per annum, being comprised of a salary of \$120,000 and a further \$30,000 in consulting fees;
- (c) On appointment, Alison Coutts (Non-Executive Director): \$30,000 per annum.
- (d) On appointment, Alex Cowie (Non-Executive Director): \$30,000 per annum.

7. INFORMATION ABOUT EURO PETROLEUM LIMITED

7.1 Overview of Euro Petroleum Ltd

Euro was incorporated on 15 December 2010, and has raised approximately \$2,000,000 from seed investors subscribing at \$0.10 per share.

Euro has used the seed capital for the predominant purpose of conducting due diligence on prospective energy and resources exploration projects with the intention of acquiring an asset that has long term potential to generate value for the company and its shareholders and which could be a flagship asset to enable Euro to successfully carry out a listing on a recognised stock exchange.

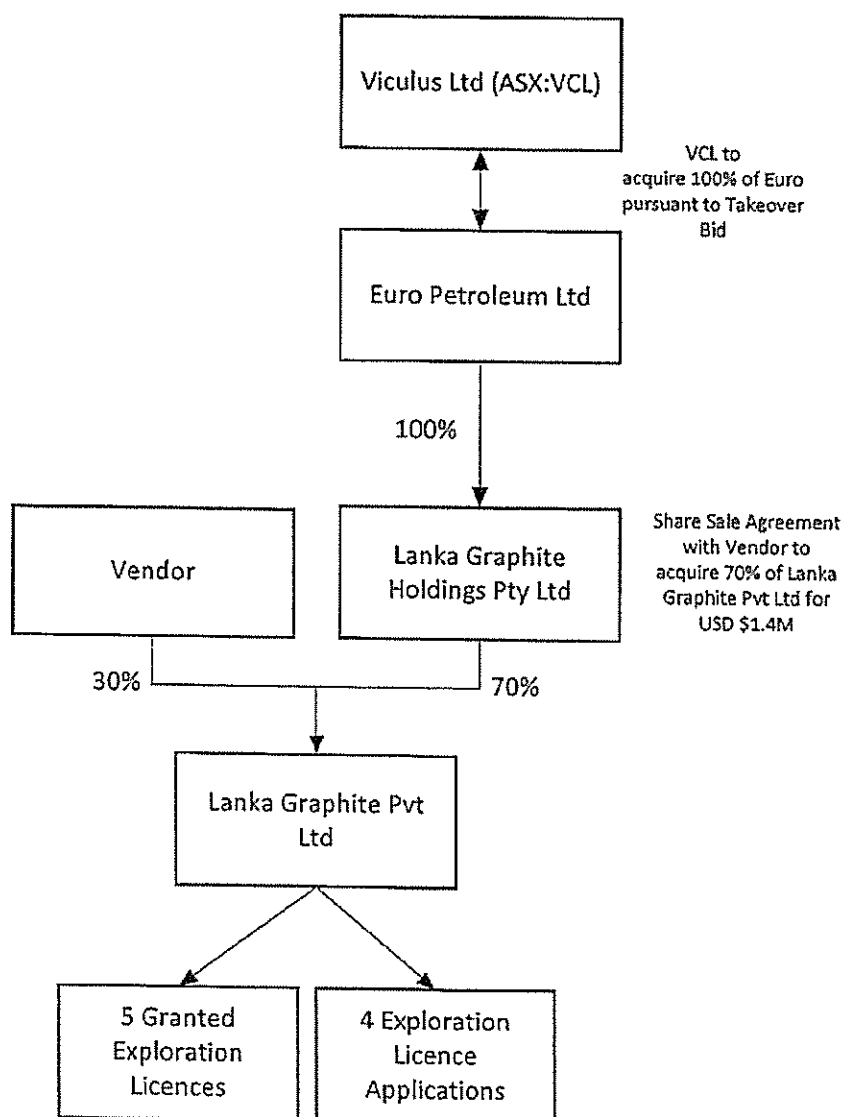
Euro's subsidiary, Lanka Graphite AUS, holds the right to acquire 70% of the issued share capital of Lanka Graphite SL. Lanka Graphite SL is the holder of the following five (5) exploration licences over tenements located in Sri Lanka (**Tenements**), which may be prospective for graphite. It is currently anticipated that Lanka Graphite AUS will apply for, and obtain, Sri Lankan Board of Investments' (BOI) approval to acquire 70% of the share capital in Lanka Graphite SL, as an exemption from the Exchange Control Act is needed to exceed the foreign shareholding limitation of 40%. However, the structure of the acquisition of Lanka Graphite SL may be restructured, if necessary, to meet any further regulatory requirements advised by the BOI. Any such variations shall not result in Euro acquiring less than a beneficial interest of at least 70% of Lanka Graphite SL.

Tenements	Exploration Licence particulars
Alutugama	EL266
Matugama	EL267
Morawaka and Rakwana	EL268
Kegalle	EL236
Kalutra	EL237

Lanka Graphite has also made the following four (4) applications for exploration licences.

Tenements	Exploration Licence Application particulars
Ratnapura	EL/2013/952
Hanguranketa	EL/2013/953
Matara	COM/EL/011
Matugama	COM/EL/012

7.2 Corporate Structure Diagram



7.3 Business Model

In or around mid-2012, Euro commenced negotiations with parties in Sri Lanka, and, since then, has focused on acquisition of mining assets in Sri Lanka. On 27 April 2013, Euro's subsidiary, Lanka Graphite Holdings Pty Ltd, entered into a Share Sale Agreement to acquire 70% of Lanka Graphite Pvt Ltd, a company incorporated in Sri Lanka which holds 5 exploration licences over the Tenements and 4 Exploration Licence Applications. Viculus or Euro have entered into various agreements which the Board consider to be material and relevant to potential investors in the Company. Set out below is a summary of these material contracts.

List of Material Contracts:

1. Term Sheet between the Company and Euro;
2. Heads of Agreement between the Company and Euro;
3. Share Sale Agreement entered into between the Lanka Graphite SL Vendor and Lanka Graphite Holdings AUS;
4. Deed of Variation entered into between the Lanka Graphite SL Vendor and Lanka Graphite Holdings AUS; and
5. Loan Agreement between the Company and Euro. The whole of the provisions of the agreements are not repeated in this Bidder's Statement

1. Term Sheet between the Company and Euro

Viculus entered into a non-binding Term Sheet with Euro on 28 August 2013 ('Term Sheet').

The material terms of the Term Sheet were as follows:

- Viculus would acquire, free of encumbrances, all of the issued capital of Euro, inclusive of all rights, title and interest of Euro in the Tenements and Exploration Licence Applications;
- The proposed consideration for the acquisition was the allotment and issue to the Euro Shareholders of one (1) ordinary share in Viculus for every one (1) share held in Euro, and the allotment and issue to the Euro option holders of one (1) option in Viculus for every one (1) option held in Euro.
- It was proposed that Viculus seek approval of its members for a change of nature and scale of activities in accordance with the ASX Listing Rules and re-comply with Chapters 1 & 2 of the ASX Listing Rules for the purposes of re-admission of VCL's shares to the official list of ASX once such member approval was granted for the change in nature and scale of the company's activities.
- It was proposed that Viculus would seek to raise between \$3,000,000 to \$5,000,000 by the issue of 15,000,000 to 25,000,000 ordinary shares at an issue price of \$0.20 per share under a prospectus capital raising. It was proposed that the capital raising be partially underwritten to the sum of \$3,000,000. (Note: the minimum subscription under the Capital Raising has subsequently been revised to \$3,500,000)
- Upon Viculus acquiring 100% of the issued capital of Euro, Euro would procure the completion of the acquisition of the Tenements and Exploration Licence Applications by Lanka Graphite SL, and Viculus would pay the balance purchase price consideration of US\$1,070,000 to the Lanka Graphite SL Vendor.
- It was proposed that, as at completion of the acquisition of Euro by Viculus, the Board of Directors of Viculus shall comprise four (4) persons, including

three (1) Directors nominated by Euro and one (3) Current Directors of Viculus.

2. Heads of Agreement between Viculus and Euro

Viculus entered into a legally binding Heads of Agreement for Implementation of Takeover Bid with Euro on 11 February 2014 ('Heads of Agreement'). Pursuant to the Heads of Agreement, it was agreed that Viculus shall make a Takeover Bid to acquire the Euro Shares from the Euro Shareholders.

The material terms of the Heads of Agreement were as follows:

- As consideration for the acquisition of Euro Securityholders' Euro Shares and Euro Options under the Takeover Bid, Viculus shall offer Euro Shareholders and Euro Optionholders the following consideration for the acquisition, such Shares and Options to be allotted and issued immediately following Completion and all necessary shareholder and other regulatory approvals being obtained:
 - (a) the allotment and issue to the Euro Shareholders of one (1) Share in Viculus for every one (1) share held in Euro; and
 - (b) the allotment and issue to the Euro Optionholders of one (1) Option in Viculus for every one (1) option held in Euro.
- Viculus shall seek approval of its members for a change of nature and scale of activities in accordance with the ASX Listing Rules and re comply with Chapters 1 & 2 of the ASX Listing Rules for the purposes of re – admission of Viculus's shares to the official list of ASX once such member approval has been granted for the change in nature and scale of the company's activities.
- Pursuant to the Prospectus issued in connection with Viculus's application for re admission in accordance with Chapters 1 & 2 of the ASX Listing Rules, Viculus shall procure that it raise between \$3,000,000 to \$5,000,000 by the issue of 15,000,000 to 25,000,000 ordinary shares at an issue price of \$0.20 per share. (Note: the minimum subscription under the Capital Raising has subsequently been revised to \$3,500,000)
- Euro shall procure completion of the acquisition by it of the legal interest in the Tenements and Exploration Licence Applications contemporaneously with completion of the acquisition of Euro by Viculus under the Takeover Bid, at which time Viculus will pay the balance purchase price consideration of US\$1,070,000 to the Lanka Graphite SL Vendor.
- As at Completion of the Takeover Bid, the Board of Directors of VCL shall comprise four (4) persons, including one (1) director nominated by Euro.

- Euro shall have the right to terminate the Heads of Agreement in the event that ASX requires any immediate form of reconstruction or consolidation of the capital of Viculus, which in the opinion of Euro or the Euro Shareholders, acting reasonably, would have a materially adverse effect on the value of any VCL securities currently on issue or to be issued.
- Euro agrees to cooperate with Viculus to facilitate the Takeover Bid in the absence of a Superior Proposal.

3. Share Sale Agreement entered into between the Lanka Graphite SL Vendor and Lanka Graphite Holdings AUS

The Lanka Graphite SL Vendor and Lanka Graphite AUS entered into a share sale agreement on 27 April 2013 ('Share Sale Agreement'). The material terms of the Share Sale Agreement are as follows:

- At the date of the Share Sale Agreement, Lanka Graphite SL held two Exploration Licence Applications, being EL/2013/892 and EL/2013/893.
- The parties agreed that Lanka Graphite AUS would purchase seventy (70) ordinary shares in Lanka Graphite SL, constituting 70% of the issued share capital of Lanka Graphite SL, from the Lanka Graphite SL Vendor.
- As consideration for the share sale, the parties agreed that one million four hundred thousand United States dollars (USD\$1,400,000), would be payable in two instalments, being:
 - (a) USD\$280,000 as a deposit, payable within fourteen (14) days of the parties entering into the Agreement and the Exploration Licences for the Land Areas being granted; and
 - (b) USD\$1,120,000 payable at Settlement.
- It was agreed that settlement would take place on the earlier of:
 - (a) nine (9) months from the date of the Share Sale Agreement; or
 - (b) within fourteen (14) days following the occurrence of either of the following events:
 - i. Lanka Graphite AUS or Euro receiving approval to list on a recognised stock exchange, including in particular the ASX; or
 - ii. Lanka Graphite AUS or Euro completing a transaction whereby Lanka Graphite or Euro (or their assets) become acquired by a company listed on a recognised stock exchange, and pursuant to such transaction the shareholders of Lanka Graphite AUS

or Euro are issued shares in the listed company ('Backdoor Listing').

4. Deed of Variation entered into between the Lanka Graphite SL Vendor and Lanka Graphite Holdings AUS

- The Deed varies the Share Sale Agreement dated 27 April 2013.
- As at the date of the Share Sale Agreement, Lanka Graphite Pvt Ltd had applied for two (2) exploration licences, which have since been formally granted as Exploration Licences (EL 236 and EL237)('Original Licences').
- During July and August 2013, Lanka Graphite Pvt Ltd applied for an additional seven (7) exploration licences ('Additional Exploration Licence Applications').
- Lanka Graphite Holdings AUS requested, and the Lanka Graphite SL Vendor agreed to, the variation of the Share Sale Agreement to include the Additional Exploration Licence Applications and to make the formal grant of at least four (4) Exploration Licences for the Additional Exploration Licence Applications a condition of settlement.
- In addition, the parties agreed to vary the Share Sale Agreement to acknowledge the additional \$50,000 paid by Lanka Graphite AUS to the Lanka Graphite SL Vendor as an instalment payment towards the Purchase Price on or around the Date of this Deed.
- It was agreed that settlement of the Share Sale Agreement would occur on the earlier of:
 - (a) 30 July 2014; or
 - (b) Within fourteen (14) days following the occurrence of either of the following events:
 - i. Lanka Graphite Holdings AUS or Euro receiving approval to list on a recognised stock exchange, including in particular the ASX, following successful completion of an initial public offering; or
 - ii. Lanka Graphite AUS or Euro completing a Backdoor Listing with a company listed on a recognised stock exchange, including in particular the ASX.

The parties have subsequently agreed to extend the date for settlement to the earlier of 31 December 2014 or within fourteen (14) days following the events described in item (b)(i) or (ii) above.

5. Loan Agreement between the Company and Euro

Viculus and Euro entered into a loan agreement on 29 August 2013. The material terms of the agreement are as follows:

- The parties acknowledge that, on or around 28 August 2012, Euro had lent \$20,000 to Viculus at an interest rate of 10% per annum ('Initial Loan').
- Pursuant to the Loan Agreement, Euro agreed to lend Viculus a further \$40,000 at an interest rate of 10% per annum ('Further Advance').
- The Initial Loan and Further Advance ('Total Loan Amount') are repayable within seven (7) days of the completion of the capital raising by Viculus made pursuant to the Prospectus.
- The Total Loan Amount is secured by a second-ranking registrable charge over all of Viculus's assets and undertaking in favour of Euro.
- Upon discharge of the first ranking charge registered over Viculus as at the date of this Agreement, the second-ranking charge shall be registered as a first ranking charge.

7.4 Issued Capital

As at the date of this Bidder's Statement, Euro's issued capital consisted of 39,551,350 fully paid ordinary Euro Shares and 9,750,000 Euro Options.

At the date of the Offer, Viculus did not hold a Relevant Interest in any Euro Securities and therefore did not hold any voting power in Euro.

7.5 Directors

The Directors of Euro are:

Name	Position
Mr Jitto Arulampalam	Executive Chairman
Mr Frank Cannavo	Director
Mr Adrian Santini	Director
Mr Tamura Yoshiaki	Director

8. VICULUS RE-LISTING ON THE ASX AND CAPITAL RAISING

8.1 Overview of the re-listing on the ASX and capital raising

- (a) Viculus intends to meet the requirements of Chapters 1 and 2 of the ASX Listing Rules and to satisfy all ASX requirements for Re-admission to the Official List of the ASX, and
- (b) Pursuant to the Capital Raising, Viculus intends to issue up to 25,000,000 shares at an issue price of \$0.20 per share to raise up to \$5,000,000. This will assist the Company in meeting its business and mining exploration and evaluation objectives, which include:
- Funding the balance purchase price payable to the SL Vendor, being USD\$1,070,000, to acquire 70% of Lanka Graphite Pvt Ltd, the owner of the Tenements and Exploration Licence Applications;
 - Funding the exploration and evaluation activities on the Tenements;
 - Facilitating Re-admission of Viculus Providing funds for general working capital purposes, and
 - Paying the costs and expenses associated with Re-admission.

8.2 Share Capital Structure after the Takeover Bid and proposed re-listing on the ASX

The effect of the acquisition of Euro and associated Capital Raising on Viculus' capital structure is set out below.

Shares

	Min Raising (\$3.5 million)	Max Raising (\$5 million)
Shares on Issue as at the date of this Bidder's Statement	10,173,860	10,173,860
Viculus Shares to be issued under the Capital Raising	17,500,000	25,000,000
Viculus Shares to be issued to Euro Shareholders as consideration under the Offer	39,551,350	39,551,35-
Total Number of Viculus Shares on Issue following Completion of the Takeover Bid	67,225,210	74,725,210

Options

Details	No. of Options	Exercise Price	Expiry
Options on Issue as at the date of this Bidder's Statement	0	0	N/A
Director Options	5,500,000	\$0.30	36 months after the date of issue
Viculus Options to be issued to Euro Optionholders as consideration under the Takeover Bid	9,750,000	\$0.30	36 months after the date of issue
Total Viculus Options on issue if Completion of the Takeover Bid occurs	15,250,000	\$0.30	36 months after the date of issue

8.3 Pro Forma Consolidated Statement of Financial Position as at 31 March 2014 for the Merged Entity

Historical and Consolidated Pro-Forma Statements of Financial Position of Merged Entity

	Actual 31 March 2014 \$	Minimum Subscription Consolidated Pro-Forma 31 March 2014 \$	Full Subscription Consolidated Pro-Forma 31 March 2014 \$
CURRENT ASSETS			
Cash and cash equivalents	46,969	2,421,790	3,921,970
Trade and other receivables	9,773	9,773	9,773
TOTAL CURRENT ASSETS	56,742	2,431,563	3,931,563
NON CURRENT ASSETS			
Exploration and evaluation assets	24,587	1,799,390	1,779,390
Other Non- Current Assets	7,578	11,094	11,094
Goodwill		7,015,487	7,015,487
TOTAL NON CURRENT ASSETS	32,165	8,825,971	8,825,971
TOTAL ASSETS	88,907	11,257,534	12,757,534
CURRENT LIABILITIES			

Trade and other payables	21,834	121,989	121,989
Borrowings	89,685	1,675	1,675
TOTAL CURRENT LIABILITIES	111,519	123,664	123,664
NON CURRENT LIABILITIES			
	-	-	-
TOTAL NON CURRENT LIABILITIES	-	-	-
TOTAL LIABILITIES	111,519	123,664	123,664
NET ASSETS	(22,612)	11,133,870	12,633,870
EQUITY			
Issued capital	23,073,431	34,229,913	35,729,913
Accumulated losses	(23,096,043)	(23,096,043)	(23,096,043)
TOTAL EQUITY	(22,612)	11,133,870	12,633,870

9. VICULUS'S INTENTIONS IN RELATION TO EURO

(a) Overview

Subject to the below, it is the present intention of Viculus, on the basis of the information concerning Euro which is known to it and the existing circumstances affecting the business of Euro, that:

- (i) the business of Euro will otherwise be continued in substantially the same manner as it is presently being conducted;
- (ii) no other major changes will be made to the business of Euro;
- (iii) there will not be any other redeployment of the fixed assets of Euro; and
- (iv) the present employees of Euro will otherwise continue to be employed by Euro.

(b) Intentions upon acquisition of 80% or more of Euro

If Viculus acquires 80% or more of Euro it will complete the Takeover Bid and seek to complete the Capital Raising and relisting.

If, as a result of the Takeover Bid, Viculus acquires 90% of Euro and becomes entitled to compulsorily acquire outstanding Euro Shares in accordance with Part 6A.1 of the Corporations Act, it intends to proceed with the compulsory acquisition of those Euro Shares.

(c) Intentions upon gaining control but less than 80% of Euro

If, following the close of the Takeover Bid period, Euro becomes a controlled entity, but not a wholly owned subsidiary of Viculus, Viculus presently intends, subject to the following to implement the objectives and goals stated in section 3.13(a).

The extent to which Viculus will be able to implement these steps will be subject to:

- (i) the law and the ASX Listing Rules, in particular in relation to related party transactions and conflicts of interest;
- (ii) the legal obligation of the directors of Euro to act for proper purposes and in the best interests of Euro shareholders as a whole.

Having regard to this, and in particular the possible requirements of minority shareholder approval, it is possible that Viculus may be unable to implement some of these intentions.

(d) Intentions if Viculus does not acquire effective control of Euro

Viculus reserves its right to declare the Takeover Bid free from the 80% minimum acceptance Bid Condition (or any other Bid Condition) to the Takeover Bid. However, Viculus

has not decided whether it will free the Takeover Bid from the 80% minimum acceptance Bid Condition (or any other Condition).

10. RISK FACTORS

10.1 Overview

The business activities of Viculus and the Merged Entity are subject to various risks that may impact on the future performance of Viculus and the Merged Entity. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of Viculus and the Merged Entity and cannot be mitigated.

If the Offer becomes unconditional, Euro Shareholders who accept the Offer will become Viculus Shareholders. In those circumstances, Euro Shareholders will:

- (a) continue to be exposed to the risks associated to the investment in Euro as a result of their indirect interest in Euro through Viculus;
- (b) be exposed to the risks which are specific to an investment in Viculus; and
- (c) be exposed to additional risks relating to the Offer and the Merged Entity.

The principal risk factors are explained below. These risks however are not intended to be an exhaustive list of risk factors to which Viculus and the Merged Entity are exposed.

Euro Shareholders should read the Bidder's Statement carefully and consult their professional advisors before deciding whether to accept the Offer. This Section 10 has been prepared without taking into account the individual financial situation and particular needs of Euro Shareholders.

An investment in the Merged Entity carries no guarantee with respect to the payment of dividends, return of capital or price at which shares will trade and should be considered speculative.

By accepting the Offer, Euro Shareholders will be investing in Viculus.

10.2 Risks relating to the Offer

(a) Re-quotations of Shares on the ASX

The acquisition of Euro constitutes a significant change in the nature and scale of the Viculus's activities. Accordingly, Viculus needs to comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List of the ASX.

There is a risk that Viculus may not be able to meet the requirements of the ASX for re-quotations of its shares. Should this occur, the shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. While this is not a risk for new investors, insofar as their funds will be returned should Viculus not successfully re-comply, this is a risk for existing

shareholders who may be prevented from trading their shares should the Company be suspended until such time as the Company does comply with the ASX Listing Rules. Failure to comply with Chapters 1 and 2 of the Listing Rules may also defeat the Takeover Bid, the Takeover Bid being subject to the condition that an application for admission to Official Quotation will be made within 7 days after the start of the Bid Period and permission for admission to quotation will be granted no later than 7 days after the end of the Bid Period.

(b) Contractual Risks

On 27 April 2013, Euro's subsidiary, Lanka Graphite AUS, entered into a Share Sale Agreement to acquire 70% of Lanka Graphite SL, a company incorporated in Sri Lanka and which holds 5 exploration licences over the Tenements and 4 Exploration Licence Applications.

The completion of this acquisition of the mining assets in Sri Lanka is occurring contemporaneously with the Takeover Bid. Under the Takeover Agreement, Euro has given no guarantee that the transaction will be completed. If the acquisition of the mining assets is not completed, there is a material risk that the Merged Entity will not be able to achieve its business objectives and goals.

Lanka Graphite AUS requires the Sri Lankan Board of Investments' (BOI) approval to acquire 70% of the share capital in Lanka Graphite SL, as an exemption from the Exchange Control Act is needed to exceed the foreign shareholding limitation of 40%.

While Viculus is not aware of any reason why Board of Investments approval will not be granted, there is a risk that if the BOI approval is not granted, the Company will not be able to acquire 70% of Lanka Graphite SL.

There is no guarantee that BOI approval will be granted, and, if BOI approval is granted, circumstances may arise where its decision may be reviewed.

The Merged Entity must also obtain and maintain mining licences from the Sri Lankan Geological Survey and Mines Bureau (GSMB) in order to conduct mining projects in Sri Lanka. While five (5) licences over the Tenements have been obtained at the date of this Bidder's Statement, the Merged Entity (through Lanka Graphite AUS) must satisfy certain requirements in order to retain these licences, including annual reporting and minimum expenditure requirements. There is no guarantee that the Company will be able to fulfil these requirements on an ongoing basis, in which case the Company may lose the rights under these licences.

Licences also require periodic renewal, and may only be renewed for a limited number of times. There is a risk that renewals may not be granted, or, if granted, additional conditions may be imposed.

Likewise, while four (4) Exploration Licence Applications have been made, there can be no guarantee that such licences will be obtained on favourable terms or at all

10.3 General Investment Risks

Some of the general risks of investment which are considered beyond the control of Viculus are as follows:

(a) The state of Australian and international economies:

A downturn in the Australian and/or the International economy may negatively impact the performance of Viculus which in turn may negatively impact the value of securities in Viculus.

(b) Changes to Government Policies and Legislative changes:

Government policy and legislative changes which are outside the control of Viculus may also have a negative impact on the financial performance of Viculus.

(c) Economic Risk and Price of Commodities

Viculus's Share price will be influenced by the prevailing market prices from time to time of the resources that Viculus is targeting in its exploration programs.

The price of minerals is influenced by physical and investment demand for, and supply of, those resources. Fluctuations in these prices may influence individual projects in which Viculus has an interest and the price of Viculus's Shares.

Further, commodities are principally sold throughout the world in US dollars so any fluctuations in the exchange rate between Australian and US dollars could adversely affect Viculus's financial position, performance and prospects.

These factors may have an adverse effect on Viculus's activities as well as its ability to finance future projects and activities.

(d) Movements in local and international stock markets:

The price of stocks in a publicly listed company can be highly volatile and the value of a company's securities can be expected to fluctuate depending on various factors, including commodity price changes, stock market sentiment, government policies, investor perceptions, economic conditions and market conditions which affect the exploration industry. It is therefore possible that Viculus's securities will trade at below the offer price.

(e) Viculus's on-going funding requirements

Further funding may be required by Viculus to undertake its exploration activities. If commercial quantities of minerals are discovered and Viculus commences mining activities then further funding may be required. There is no guarantee that Viculus will be able to raise the additional required funding on a timely basis, on favourable terms or that such further funding will be sufficient to enable Viculus to implement its planned commercial strategy. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If Viculus is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or scale back its exploration programs as the case may be,

which may adversely affect the business and financial condition of Viculus and its performance.

(f) Resource estimates and targets

There are no JORC Code compliant resources currently defined on the Tenements.

If a resource is defined in the future, that resource estimate will be an expression of judgment based on knowledge, experience and industry practice. Often these estimates were appropriate when made but may change significantly when new information becomes available. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment.

(g) Investment Speculative

Mining exploration and investment in companies that are focused on mining exploration and evaluation is inherently risky and constitutes a speculative investment.

(h) Potential Acquisitions

As part of its business strategy, Viculus may make acquisitions or significant investments in other companies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies or resource projects. Further, there is no guarantee that Viculus will make any future acquisitions.

(i) Insurance Risk

Viculus may, where economically practicable and available, endeavour to mitigate some project and business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by Viculus outside the scope of the insurance cover. While Viculus will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers there will remain the risk that an insurer defaults in the legitimate claim by Viculus under an insurance policy. Insurance against all risks associated with mining exploration and production is not always available and where available the cost may be prohibitive.

(j) Unforeseen expenses

Viculus is not aware of any expenses that it will be required to incur in the two years after listing and which it hasn't already taken into account. However, if Viculus is required to incur any such unforeseen expenses then this may adversely affect the currently proposed expenditure plan and existing budgets for Viculus's activities.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the investors in Viculus. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of Viculus and the value of the Shares.

(k) Competition Risk

The industry in which Viculus will be involved is subject to global and domestic competition. Viculus shall undertake all reasonable due diligence. However, Viculus is unable to influence or control the conduct of its competitors and such conduct may detrimentally affect Viculus's financial or operating performance.

(l) Reliance on Key Personnel

Senior management and key personnel of Viculus shall direct Viculus's operations and provide strategic management. However, if key employees cease to be employed there may be a detrimental impact to Viculus.

(m) Foreign Sales

The proposed international sales undertaken by Viculus and subsequent operations will be subject to a number of risks inherent in selling and operating abroad which could adversely affect our ability to increase or maintain our foreign sales. These include, but are not limited to, risks regarding:

- currency exchange rate fluctuations;
- local and international economic and political conditions;
- disruptions of capital and trading markets;
- accounts receivable collection and longer payment cycles;
- difficulties in staffing and managing foreign operations;
- potential hostilities and changes in diplomatic and trade relationships;
- restrictive governmental actions (such as restrictions on the transfer or repatriation of funds and trade protection measures, including export duties and quotas and customs duties and tariffs);
- changes in legal or regulatory requirements;
- the laws and policies of Australia and other countries affecting trade, foreign investment and loans, and import or export licensing requirements; and
- tax laws.

Changes in circumstances or market conditions resulting from these risks may restrict Viculus's ability to operate in an affected region and/or adversely affect the profitability of Viculus's operations in that region.

10.4 Exploration and Development Risk Factors

The business of mineral exploration, project development and production involves inherent risks. Success depends on successful exploration appraisal, design and construction of efficient recovery and processing facilities, competent operational and managerial performance, and efficient distribution and marketing services. Exploration is a speculative endeavor and production operations can be hampered by engineering difficulties, cost overruns, inconsistent recovery rates and other unforeseen events. The outcome of Company's exploration, project development and production programs will affect the future performance of Viculus and the price of its Shares.

If and when Viculus commences production, the production may be curtailed or shut down for considerable periods of time owing to a range of factors such as disruptions to transport

infrastructure, lack of market demand, government regulation, production allocations or force majeure events. These curtailments may continue for a considerable period of time resulting in a materially adverse effect on the operations and/or financial condition of Viculus.

The exploration for and production of minerals involves certain operating hazards, such as:

- failure and/or breakdown of equipment;
- adverse geological, seismic and geotechnical conditions;
- industrial accidents;
- labour disputes;
- pollution; and
- other environmental hazards and risks.

Viculus may also be liable for environmental damage caused as a result of its exploration and/or mining activities. As a result, substantial liabilities to third parties or governmental entities may be incurred, the payment of which could reduce or eliminate funds available for acquisitions, exploration and development or cause Viculus to suffer losses.

Exploration, development and environmental factors which may affect Viculus's financial position, prospects and the price of its listed securities are set out below.

(a) Exploration Risks

There are a number of risks associated with the mineral exploration activities to be carried out by Viculus, including:

- The discovery and/or acquisition of economically recoverable resources or reserves. Exploration on the existing prospecting and exploration tenements of Viculus may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of Viculus and possible relinquishment of the prospecting and exploration tenements;
- Recovering resources or reserves. There can be no assurance that Viculus will discover significant resources or reserves of commodities nor can there be any assurance that any particular level of recovery from such resources or reserves will be realised;
- Access to adequate capital for project development;
- Design and construction of efficient development and production infrastructure within capital expenditure budgets;
- Securing and maintaining title to interests;
- Obtaining consents and approvals necessary for the conduct of mineral exploration, development and production; and
- Access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

(b) Development Risks

If Viculus does locate commercial reserves of minerals, then the future development of a mining operation at any of Viculus's projects will be subject to a number of risks, including:

- Geological and weather conditions causing delays and interference to operations;
- Obtaining all necessary and requisite approvals from relevant authorities and third parties;
- Technical and operational difficulties associated with mining of minerals and production activities;
- Access to necessary funding;
- Mechanical failure of plant and equipment;
- Shortages or increases in price of consumables, and plant and equipment;
- Environmental hazards, fires, explosions and other accidents;
- Transportation facilities;
- Costs overruns;
- The costs of extraction being higher than expected.

There is no guarantee that Viculus will achieve commercial viability through the development of its projects.

10.5 Environmental Risks

The activities being undertaken by Viculus are subject to Sri Lankan environmental laws and regulations. Viculus will endeavour to comply at all times with all applicable Sri Lankan laws and intends to conduct its activities in an environmentally responsible manner.

However, the existence of environmental legislation means that Viculus may potentially face a liability risk relating to its activities and/or be restricted from engaging certain exploration activity due to environmental legislation.

10.6 Reliance on consultants and contractors

Viculus will be relying upon the expertise and equipment of various consultants and contractors who will be engaged to conduct the different aspects of exploration and mining activity. In the event of a failure of, or by, one of these contractors, or the failure of any equipment used by these consultants or contractors, Viculus's business, activities and operating results may be adversely affected.

10.7 Risks relating to operating in Sri Lanka

(a) Political, economic and sovereign risks

As Viculus will be operating in Sri Lanka, Viculus will be subject to those risks associated with operating in a foreign jurisdiction. Such risks can include, economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation,

taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local residents or contractors or require other benefits to be provided to local residents.

Sri Lanka was involved in a civil war until on or around late 2009. While Sri Lanka is currently relatively stable, there is no certainty that the political and economic conditions will remain stable. Any deterioration in political or economic conditions, including renewed hostilities or terrorist activity, may adversely affect Viculus's operations and profitability.

There is a risk that the government of Sri Lanka may change its policies regarding foreign investment and the ownership of mineral resources, which may have an adverse impact on Viculus's profitability.

(b) Sri Lankan legal environment

Although the Sri Lankan legal system is well-established, it may be less certain than legal systems in other countries. This uncertainty could lead to the following risks:

- Difficulties in obtaining effective legal redress for breaches of laws or regulations or in respect of property rights;
- Inconsistencies between and within laws, regulations, decrees, orders and resolutions, or uncertainty in the application of laws and regulations;
- Difficulties in enforcing foreign judgments and arbitral awards, particularly against state bodies; and
- Lack of jurisprudence and administrative guidance on the application of laws and regulations, particularly with respect to taxation and proprietary rights.

Therefore, Viculus may have difficulty in obtaining effective legal redress in circumstances where Viculus is adversely affected by a breach of law or regulation.

(c) Risks associated with identity as emerging market issuer

After Completion of the Takeover Bid, Viculus may be considered to be an emerging market issuer, as it holds material assets located in an emerging market (Sri Lanka).

In ASIC Report 368 (released August 2013), it was noted that emerging market issuers may face challenges in complying with corporate governance requirements, internal controls and risk management. Likewise, emerging market issuers may utilise complex ownership structures to accommodate restrictions on the foreign ownership of assets, hindering transparency.

To address these risks, the Board intends to strictly comply with all applicable financial reporting and continuous disclosure requirements. The Board also intends to require

management to design and implement risk management and internal controls, and report on whether those risks are being managed effectively.

11. KEY FEATURES OF THE OFFER

11.1 Consideration payable to Euro share holders who accept the Offer

The consideration being offered by Viculus to the Euro Security holders pursuant to the Offer is as follows:

- (a) one (1) Viculus Share for every one (1) Euro Share held; and
- (b) one (1) Viculus Option for every one (1) Euro Option held and cancelled in connection with the Takeover Bid.

11.2 Bid Conditions

The Offer is subject to a number of Bid Conditions which are set out in full in Annexure A of this Bidder's Statement.

11.3 Notice of Status of Conditions

Viculus will give a Notice of Status of Conditions to the ASX and Euro on 1 September 2014.

Viculus will set out in its Notice of Status of Conditions:

- (a) whether the Offer is free of any or all of the Conditions;
- (b) whether, so far as Viculus knows, any of the Conditions have been fulfilled on the date the Notice of Status of Conditions is given; and
- (c) Viculus's voting power in Euro.

If the Offer Period is extended by a period before the time by which the Notice of Status of Conditions is to be given, the date for giving the Notice of Status of Conditions will be taken to be postponed for the same period. In the event of such an extension, Viculus is required, as soon as practicable after the extension, to give a notice to the ASX and Euro that states the new date for the giving of the Notice of Status of Conditions.

If a condition is fulfilled (so that the Offer becomes free of that condition) during the Bid Period, but before the date on which the Notice of Status of Conditions is required to be given, Viculus must, as soon as practicable, give the ASX and Euro a notice that states that the particular condition has been fulfilled.

11.4 Offer Period

Unless the Offer is extended or withdrawn, it is open for acceptance from 7 August 2014 until 8 September 2014.

11.5 Extension of the Offer Period

Viculus may extend the Offer Period at any time before giving the Notice of Status of Conditions while the Offer is subject to Conditions. However, if the Offer is unconditional (that is, all the Conditions are fulfilled or waived), Viculus may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period:

- (a) Viculus improves the consideration offered under the Offer; or
- (b) Viculus's voting power in Euro increases to more than 50%.

If either of these events occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

11.6 Withdrawal of Offer

Viculus may not withdraw the Offer if you have already accepted it. Before you accept the Offer, Viculus may withdraw the Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

11.7 Effect of Acceptance

Accepting the Offer would (subject to the withdrawal rights discussed below):

- (a) prevent you from accepting any Superior Proposal that may be made by a third party;
- (b) relinquish control of your Euro Shares to Viculus with no guarantee of receipt of the Offer Consideration until the Offer becomes, or is declared, unconditional;
- (c) if the Conditions of its Offer are not satisfied, give Viculus the option to either keep your Shares (by waiving the conditions) or allow the Offer to lapse (as discussed in Section 7.11); and
- (d) prevent you from selling your Euro Shares.

11.8 Your ability to withdraw your acceptance

You only have limited rights to withdraw your acceptance of the Offer. You may only withdraw your acceptance of the Offer if Viculus varies the Offer in a way that postpones, for more than one month, the time when Viculus needs to meet its obligations under the Offer. This will occur if Viculus extends the Offer Period by more than one month and the Offer is still subject to conditions.

In those circumstances, you will have a period of one month after the date that the Offer is extended to withdraw your acceptance. Your statutory withdrawal rights will terminate upon the expiry of that

one month period, although if the Offer Period is then further extended you will receive further statutory withdrawal rights (that is, a further month long withdrawal right for each and every extension thereafter provided the Offer is still conditional).

11.9 When you will receive your Viculus Shares if you accept the Offer

In the usual case, you will be issued your Viculus Shares on or before the later of:

- (c) one month after the date the Offer becomes or is declared unconditional; and
- (d) one month after the date you accept the Offer if the Offer is, at the time of acceptance, unconditional, but, in any event (assuming the Offer becomes or is declared unconditional), no later than 21 days after the end of the Offer Period.

However, there are certain exceptions to the above timetable for the issuing of consideration.

11.10 Effect of an improvement in consideration on Shareholders who have already accepted the Offer

If Viculus improves the consideration offered under its Takeover Bid, all Euro Securityholders, whether or not they have accepted the Offer before that improvement in consideration, will be entitled to the benefit of that improved consideration.

11.11 Lapse of Offer

The Offer will lapse if the Offer conditions are not waived or fulfilled by the end of the Offer Period, in which case, all contracts resulting from acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In that situation, you will be free to deal with your Euro Shares as you see fit.

11.12 Compulsory Acquisition

Viculus will be entitled to compulsorily acquire any Euro Shares in respect of which it has not received an acceptance of its Offer on the same terms as the Offer if, during or at the end of the Offer Period, Viculus and its associates have a relevant interest in at least 90% (by number) of the Euro Shares.

If Viculus satisfies the required thresholds, it intends to compulsorily acquire any outstanding Euro Shares.

If the above threshold is met, Viculus will have one month after the end of the Offer Period, within which to give compulsory acquisition notices to Euro Securityholders who have not accepted the Offer. Euro Securityholders have statutory rights to challenge the compulsory acquisition, but a

successful challenge will require the relevant Shareholder to establish to the satisfaction of a court that the terms of the Offer do not represent 'fair value' for their Euro Shares. If compulsory acquisition occurs, Euro Securityholders who have their Euro Shares compulsorily acquired are likely to be issued their consideration approximately 5 to 6 weeks after the compulsory acquisition notices are dispatched to them.

It is also possible that Viculus will, at some time after the end of the Offer Period, become the beneficial holder of 90% of the Euro Shares. Viculus would then have rights to compulsorily acquire Euro Shares not owned by it within 6 months of becoming the holder of 90%. Viculus's price for compulsory acquisition under this procedure would have to be considered in a report of an independent expert.

11.13 Ineligible Foreign Euro Shareholder

Ineligible Foreign Euro Shareholders may not be entitled to receive Viculus shares as consideration for their Euro Shares pursuant to the Offer.

A Euro Shareholder is an Ineligible Foreign Euro Shareholder for the purposes of the Offer if their address as shown in the register of members of Euro is in a jurisdiction other than Australia or its external territories or New Zealand.

However, such a person will not be an Ineligible Foreign Euro Shareholder if Viculus is satisfied that it is not legally or practically constrained from making the Offer to a Euro Shareholder in the relevant jurisdiction and to issue Viculus Shares to such a shareholder on acceptance of the Offer, and that it is lawful for the Euro Shareholder to accept the Offer in such circumstances in the relevant jurisdiction. Viculus's Shares which would otherwise have been issued to Ineligible Foreign Euro Securityholders may instead be issued to the Sale Nominee who will sell these Viculus Shares.

If you are an Ineligible Foreign Euro Shareholder, Viculus may:

- (a) arrange for the allotment to a nominee approved by ASIC (the Sale Nominee) of the number of Viculus Shares to be issued in accordance with the Offer to which you and all other Ineligible Foreign Euro Shareholders would have been entitled but for this clause 11.13;
- (b) cause those Viculus Shares so allotted to be offered for sale in such manner, at such price and on such other terms and conditions as are determined by the Sale Nominee;
- (c) pay to you the amount ascertained in accordance with the formula:

$$\frac{\text{Net Proceeds of Sale} \times \text{NFS}}{\text{TFS}}$$

where:

'Net Proceeds of Sale' is the amount received by the Sale Nominee upon the sale of Viculus Shares after deducting from the proceeds of sale the expenses of the sale;

'NFS' is the number of Viculus Shares which Viculus would otherwise be required to issue to you; and

'TFS' is the total number of Viculus Shares issued to the Sale Nominee under this clause 11.13.

Payment will be made in Australian dollars, or if this is unlawful, the currency of the country of residence of the Foreign Shareholder (as shown in Euro's register of members).

If you are a resident in any place specified by the Reserve Bank of Australia as being a place in respect of which a resident is not entitled to receive the Net Proceeds of Sale, in the absence of any necessary authority of the Reserve Bank of Australia and/or the Australian Taxation Office, acceptance of this Offer does not create or transfer to you any right, contractual or contingent, to receive the consideration specified in this Offer unless and until any necessary authority of the Reserve Bank of Australia and the Australian Taxation Office has been obtained.

Under no circumstances will interest be paid on your share of the proceeds of the sale of Viculus Shares by the Sale Nominee, regardless of any delay in remitting those proceeds to you or receipt of those proceeds.

12. TAXATION CONSEQUENCES

12.1 Overview

The following summary is a general overview of the Australian income tax and CGT consequences for Euro Shareholders who accept the Offer and dispose of their Euro Shares to Viculus pursuant to the Offer.

The summary is not taxation or legal advice. It is not intended to be a comprehensive analysis of the taxation laws of Australia, nor does it consider any specific facts or circumstances that may apply to particular Euro Shareholders.

The Australian tax consequences for Euro Shareholders of disposing of their Euro Shares will depend on a number of factors including:

- (a) whether they are an Australian resident or non-resident for tax purposes;
- (b) whether they hold their Euro Shares on capital, revenue account or as trading stock;
- (c) when they acquired their Euro Shares;
- (d) whether they are an individual, a company or a trustee of a complying superannuation entity; and
- (e) whether scrip for scrip rollover relief is available – see Section 12.3 below.

Euro Shareholders should seek independent taxation advice regarding the tax consequences of disposing of Euro Shares given the particular circumstances which apply to them.

12.2 Taxation Consequences for Euro Shareholders

(a) Shareholders holding Euro Shares as trading stock

Euro Shareholders who hold their Euro Shares as trading stock (e.g. as a share trader) will be required to include the value of the consideration from the disposal of their Euro Shares in their assessable income.

(b) Shareholders holding Euro Shares on Revenue Account

The Australian tax consequences for Euro Shareholders who hold their Euro Shares on revenue account and who accept the Offer will be to include the amount received (the market value of the Viculus Shares) over the cost of acquisition of the Euro Shares as ordinary assessable income. Where the market value of Viculus Shares is less than the cost of Euro Shares the loss may be claimed as a tax deduction.

(c) Non-resident Euro Shareholders holding Euro Shares as trading stock or on revenue account

Euro Shareholders who are non-residents of Australia and whose Euro Shares were acquired as trading stock or otherwise on revenue account, should seek their own professional tax advice. The Australian tax treatment will depend on the source of any gain and other factors including whether there is a double taxation agreement between their country of residence and Australia.

(d) Euro Shareholders holding Euro Shares on Capital Account

In broad terms, the Australian tax consequences for Euro Shareholders who hold their Euro Shares on capital account and who accept the Offer will depend on whether or not 'scrip for scrip' capital gains tax rollover relief is available and, if available, is elected. The following discussion considers the general Australian tax consequences for Euro Shareholders where:

- i. Rollover relief is not available or is not elected; and
- ii. Rollover relief is available and is elected.

12.3 Acceptance of the Offer where Rollover Relief is Available and is Elected

Australian-resident Euro Shareholders may be entitled to 'scrip for scrip' CGT rollover relief in respect of the consideration that is Viculus Shares where the exchange of the shares would otherwise realise an assessable capital gain. CGT rollover relief is available to Euro Shareholders who exchange shares in one company for shares in another company where the transaction is made pursuant to a takeover bid or similar transaction and provided certain qualifying conditions are satisfied.

In broad terms, these qualifying conditions include the requirement that Viculus must make an offer to Euro Shareholders to acquire their voting shares on substantially the same terms and Viculus must become the owner of at least 80% of the voting shares in Euro on issue as at the close of the Offer Period as a consequence of the Offer.

If the qualifying conditions are satisfied and a Euro Shareholder elects for rollover relief to apply, the rollover relief is available.

The effect of the rollover relief is that the Euro Shareholder's total capital gain will be deferred until the Viculus Shares are later disposed of.

The CGT cost base of the new Viculus Shares acquired in the exchange is determined by reasonably attributing to it the CGT cost base of the Euro Shares for which a rollover was obtained. Further, the Euro Shareholders will be taken to acquire their Viculus Shares at the time they originally acquired their Euro Shares (for the purpose of determining any entitlement to a discount on an otherwise assessable capital gain in relation to a subsequent dealing in their new Viculus Shares).

As discussed above, rollover relief will only be available if the qualifying conditions are satisfied and Euro Shareholders elect to apply for it. Further, rollover relief is not available if Euro Shareholders realise a capital loss on the disposal of their Euro Shares.

Euro Shareholders should seek independent taxation advice regarding their particular circumstances.

Non-resident Euro Shareholders may only obtain rollover relief in very limited circumstances. It is imperative that non-residents seek independent tax advice to confirm their Australian tax position and whether CGT rollover relief is available.

12.4 Acceptance of the Offer where Rollover Relief is Not Available or is Not Elected

Acceptance of the Offer is likely to involve a disposal by a Euro Shareholder of its Euro Shares for CGT purposes.

An Australian-resident Euro Shareholder may make a capital gain or capital loss, depending on whether the capital proceeds from the exchange are more than the cost base of its Euro Shares, or whether those capital proceeds are less than the cost base of those Euro Shares.

Euro Shareholders who are not resident in Australia for tax purposes will generally be subject to Australian CGT on the disposal of Euro Shares if:

- a) together with their Associates they directly or indirectly own at least 10% or more (by value) of the shares in Euro:
 - i. At the time of the sale; or
 - ii. Throughout a 12 month period beginning no earlier than 24 months before the time of the sale and ending no later than the time of the sale; and

- b) if more than 50% of the value of Euro's assets is attributable to Australian real property,

subject to the terms of any applicable double taxation agreement. It is imperative that non-residents independently confirm their Australian tax position.

The capital proceeds that a Euro Shareholder will be taken to have received in respect of the disposal of their Euro Shares will generally be the market value of the Viculus Shares on the date of implementation of the Offer.

The cost base of Euro Shares will generally be the cost at which they were acquired including any incidental costs of acquisition.

Where the amount of capital proceeds received by a Euro Shareholder in respect of the disposal of their Euro Shares is greater than the cost base of those Euro Shares, then the Euro Shareholder should realise a capital gain for Australian CGT purposes.

Where the amount of capital proceeds received by a Euro Shareholder in respect of the disposal of its Euro Shares is less than the reduced cost base of those Euro Shares, then the Euro Shareholder

should realise a capital loss for Australian CGT purposes. Where it is expected that a capital gain will result, if a Euro Shareholder does not elect for rollover relief, or that relief is not available, then partial tax relief may be available in the form of the CGT discount.

Specifically, where Euro Shares have been held for at least 12 months before their disposal, a Euro Shareholder who is an individual, a complying superannuation entity or the trustee of a trust should be able to reduce the capital gain arising from the disposal of Euro Shares by the CGT discount that will be available if the relevant Euro Shares have been held for at least 12 months.

Subject to the Euro Shareholder having any capital losses or net capital losses from previous income years, where the CGT discount is available, eligible Euro Shareholders which are individuals or trustees of trusts will reduce the capital gain arising on the disposal of Euro Shares by 50%. For individuals, this reduced gain should be assessed at the Euro Shareholder's marginal tax rate. Trustees should seek specific advice regarding the tax consequences of distributions attributable to discounted capital gains.

Subject to the Euro Shareholder having any capital losses or net capital losses from previous income years, where Euro Shares are held by a complying superannuation entity and the CGT discount is available, the discount will reduce the nominal capital gain on the disposal of the shares by 33.33%.

The CGT discount is generally applied after taking into account any capital losses or net capital losses from previous income years. Euro Shareholders having any capital losses or net capital losses from previous income years should seek independent advice on the potential availability of the CGT discount.

12.5 Euro Shareholders who are Companies will Not be Entitled to the CGT Discount

Companies are not entitled to the CGT discount. The capital gain or capital loss will be calculated with reference to the capital proceeds less the cost base or a reduced cost base of Viculus's Euro Shares. Where a company realises a capital gain, it may be eligible to reduce that gain with capital losses from previous income years. We recommend that companies seek advice from their professional tax advisor in relation to the availability and deductibility of capital losses.

12.6 GST

GST should not apply to the disposal of Euro Shares under the Offer, the issue of Viculus Shares under the Offer, or any subsequent disposal of Viculus Shares.

Euro Shareholders who are registered for GST purposes may not be entitled to full input tax credits for any GST incurred on costs associated with acquiring or disposing of securities in Viculus or Euro. Euro Shareholders should seek their own tax advice in this respect.

13. ADDITIONAL INFORMATION

13.1 Viculus's Interest in Euro Shares

As at the date of this Bidder's Statement:

- (a) Viculus has no voting power in Euro; and
- (b) Viculus has no Relevant Interest in Euro Shares.

Immediately before the Offer is sent:

- (a) Viculus has no voting power in Euro; and
- (b) Viculus has no Relevant Interest in Euro Shares.

13.2 Acquisitions of Euro Shares by Viculus and its Associates

- (a) Previous 4 months

Neither Viculus nor any Associate of Viculus has provided, or agreed to provide consideration for Euro Shares under any purchase or agreement during the period beginning 4 months before the date of this Bidder's Statement ending on the day immediately before the date of this Bidder's Statement.

- (b) Period before Offer

Neither Viculus nor any Associate of Viculus will provide, or agree to provide, consideration for Euro Shares under any purchase or agreement during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer.

13.3 No Escalation Agreements

Neither Euro nor any Associate of Euro has entered into any escalation agreement that is prohibited by Section 622 of the Corporations Act.

13.4 Collateral Benefits

- (a) Previous 4 months

During the period beginning 4 months before the date of this Bidder's Statement and ending on the day immediately before the date of this Bidder's Statement, neither Viculus nor any Associate of Viculus 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:

- i. accept the Offer; or
- ii. dispose of their Euro Shares

and which is not offered to all holders of Euro Shares under the Offer.

(b) Before the Offer

During the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer, neither Viculus nor any Associate of Viculus will give, or offer to give or agree to give, a benefit to another person that was likely to induce the other person, or an Associate of that person to:

- i. accept the Offer; or
- ii. dispose of their Euro Shares

and which is not offered to all holders of Euro Shares under the Offer.

13.5 Disclosure of Information

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

As a company listed on the ASX, Viculus is subject to regular disclosure requirements. In particular, Viculus is required to disclose information concerning its finances, activities and performance. This disclosure is available on the ASX website (ASX Code: VCL)

13.6 Interests and Benefits Relating to the Offer

(a) Interests

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

- (i) director or proposed director of Viculus;
- (ii) 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;
- (iii) promoter of Viculus;

- (iv) broker or underwriter in relation to the issue of Viculus Shares pursuant to the Offer or financial services licensee named in this Bidder's Statement as being involved in the issue of Viculus Shares,

(together, the Interested Persons) has, or had within 2 years before the date of this Bidder's Statement, any interest in:

- (v) the formation or promotion of Viculus;
- (vi) any property acquired or proposed to be acquired by Viculus in connection with its formation or promotion or in connection with the offer of Viculus Shares under the Offer; or
- (vii) the offer of Viculus Shares under the Offer.

(b) Disclosure of Fees and Benefits Received by Certain Persons

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (i) to a director or proposed director of Viculus to induce them to become, or to qualify as, a director of Viculus; or
- (ii) for services provided by a director or proposed director of Viculus in connection with the formation or promotion of Viculus or the offer of Viculus Shares under the Offer.

13.7 Restricted Securities

As the Viculus Shares issued to accepting Euro Shareholders will be issued in consideration for the acquisition of a classified asset, Euro Shareholders may be required under the ASX Listing Rules to enter into restriction agreement under which they will be restricted from trading their Viculus Shares issued as Offer Consideration for periods of between 12 and 24 months.

Viculus has applied to the ASX for a waiver from the restriction requirement on the basis that a majority of Euro Shareholders paid cash for their Euro Shares upon issue by Euro and have held their Euro Shares for a substantial period of time prior to Viculus making the Offer.

13.8 Material Litigation

Viculus is not aware of any instituted or threatened litigation, or other legal proceedings in relation to Viculus.

13.9 Status of Conditions

The Bid Conditions of the Offer are set out in Annexure A. Viculus will use all reasonable endeavours to ensure the Bid Conditions are satisfied as soon as possible after the date of this Bidder's Statement.

As at the date of this Bidder's Statement, Viculus is not aware of any events which would result in a breach or inability to satisfy the Bid Conditions.

13.10 Regulatory Approvals

The Offer is conditional upon obtaining various approvals, including from Viculus Shareholders and the ASX.

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable. ASX Listing Rule 11.2 provides that, if ASX requires, the entity must get the approval of shareholders and must comply with any requirements of ASX in relation to the Notice of Meeting.

ASX has indicated to Viculus that, given the significant change in the nature and sale of the activities of Viculus upon completion of the Offer, it requires Viculus to obtain the approval of its shareholders.

Additionally, as Viculus is suspended, the re-admission requirements under Chapter 1 and 2 of the ASX Listing Rules is required. Amongst other things, the provisions of Chapter 1 and 2 of the Listing Rules require Viculus to undertake or comply with the following:

- (a) subject to any exemptions granted by the ASX, any new Share issues must be made at a minimum of \$0.20 in order to raise additional working capital and any options must have an exercise price of no less than \$0.20;
- (b) obtain the requisite shareholder spread;
- (c) prepare a prospectus, which will be in accordance with the provisions of the Corporations Act;
- (d) have an appropriate structure and operations; and
- (e) satisfy the assets test set down in the Listing Rules.

Pursuant to the Notice of Meeting, Viculus will seek Shareholder approval for such approvals as required to effect the Offer and to satisfy the Bid Conditions.

In addition, pursuant to the Prospectus, Viculus will be issuing Shares at an issue price of \$0.20 per Share and will use best endeavours to procure that acceptances received under the Prospectus will satisfy the ASX's shareholder spread requirement.

Further information in relation to the necessary Shareholder approvals and compliance requirements is contained in the Notice of Meeting.

13.11 Other Material Information

There is no other information material to the making of a decision by a holder of Euro Shares whether or not to accept the Offer being information that is known to Viculus and which has not previously been disclosed to Euro Shareholders other than as is contained elsewhere in this Bidder's Statement.

13.12 Expiry Date

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

13.13 Date for Determining Holders

For the purposes of Section 633 of the Corporations Act, the date for determining the people to whom this Bidder's Statement is sent is the Record Date.

14. GLOSSARY AND INTERPRETATION

Glossary

Where the following terms are used in this Target Statement they have the following meanings:

AEST means Australian Eastern Standard Time.

Announcement Date means the announcement of the Offer, being 11 February 2014.

ASIC means Australian Securities & Investments Commission.

Associate has the meaning it has in section 12 of the Corporations Act as if subsection (1) of that section included a reference to this Target's Statement;

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Bid Conditions means the conditions of the Offer as detailed in Annexure A of the Bidder's Statement.

Bidder means Viculus Limited (ACN 074 976 828).

Bidder's Statement means this document, being the bidder's statement of Viculus under Part 6.5 of Division 2 of the Corporations Act issued in relation to the Takeover Bid, dated 1 August 2014;

Bid Period has the meaning given to it in the Corporations Act;

Capital Raising means the capital raising to be undertaken by Viculus in connection with its application for re-admission to the ASX, being an invitation made to the public pursuant to a prospectus to subscribe for up to 25,000,000 Viculus Shares at an issue price of \$0.20;

Company or Euro means Euro Petroleum Limited (ACN 147 870 362).

Competing Proposal means a proposal pursuant to which a person (other than Viculus or another entity in the Viculus Group) would, if the proposal were implemented substantially in accordance with its terms:

- (a) directly or indirectly, acquire an interest in all or a substantial part of the assets of Euro;
- (b) directly or indirectly, acquire an interest, a relevant interest in or become the holder of 20% of more of the Euro Shares;
- (c) acquire control of Euro, within the meaning of section 50AA of the Corporations Act; or
- (d) otherwise acquire or merge with Euro (including by way of a scheme of arrangement, reverse takeover bid or dual listed companies structure).

Completion means Viculus' acquisition of all issued Euro Shares and Euro Options pursuant to the Takeover Bid.

Control has the meaning given by Section 50AA of the Corporations Act;

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the Euro Directors.

Directors Options means the 5,500,000 Options which the Board proposes to issue to Emily D'Cruz, Alison Coutts, Alex Cowie and Derek Lo.

Euro Board or **Board** means the board of Directors as constituted from time to time.

Euro Director or **Director** means a director of Euro at the date of this Bidder's Statement.

Euro Group means Euro and its Related Bodies Corporate.

Euro Securityholders means Euro Shareholders and Euro Optionholders and **Euro Securityholder** means any one of them.

Euro Share or **Share** means a fully paid ordinary share issued in the capital of Euro.

Euro Shareholders means the collective holders of Euro issued shares and **Euro Shareholder** means any one of them.

Euro Option means an option to acquire a Euro Share.

Euro Optionholder means the collective holders of Euro's issued options and **Euro Optionholder** means any one of them.

Euro Prescribed Occurrence means:

- (a) Euro converting all or any of its shares into a larger or smaller number of shares (see section 254H of the Corporations Act);
- (b) Euro resolving to reduce its share capital in any way;

- (c) Euro:
 - (i) entering into a buy-back agreement or;
 - (ii) resolving to approve the terms of a buy-back agreement under subsection 257C or 257D of the Corporations Act.
- (d) Euro making an allotment of, or granting an option to subscribe for, any of its shares, or agreeing to make such an allotment or grant such an option;
- (e) Euro issuing, or agreeing to issue, convertible notes;
- (f) Euro disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) Euro charging, agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) Euro resolving that it be wound up;
- (i) the appointment of a provisional liquidator of Euro;
- (j) the making of an order by a court for the winding up of Euro;
- (k) an administrator of Euro being appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Euro executing a deed of company arrangement; or
- (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of Euro.

Exploration Licence Applications means the applications made by Lanka Graphite SL to the Sri Lankan Geological Survey and Mines Bureau for exploration licences over tenements in the Western Province of Sri Lanka and **Exploration Licence Application** means any one of them;

Government Agency means a government or government department, a governmental or semigovernmental or judicial person (whether autonomous or not) charged with the administration of any applicable law.

Heads of Agreement means the Heads of Agreement dated 11 February 2014 between Euro and Viculus.

Ineligible Foreign Euro Shareholder means any Euro Shareholder whose address, as entered in the register of members of Euro, is in a jurisdiction other than Australia (and its external Territories) and New Zealand, unless Viculus otherwise determines after being satisfied that it is not unlawful, not unduly onerous and not unduly practicable to make The Offer to such a Euro Shareholder in the relevant jurisdiction and to issue Viculus Shares to such a Euro Shareholder on acceptance of The Offer, and that it is not unlawful for such a Euro Shareholder to accept The Offer in such circumstances in the relevant jurisdiction.

Lanka Graphite AUS means Lanka Graphite Holdings Pty Ltd (ACN 160 465 583).

Lanka Graphite SL means Lanka Graphite Pvt Ltd (No PV 90062).

Lanka Graphite SL Vendor means Mangala Sena Vijitha Bandarta Ranaraje;

Material Adverse Change means any change, event, effect, occurrence or state of facts that is, or is expected to be, material and adverse to the assets, liabilities (including contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), business, operation, financial condition or prospects of a party.

Maximum Subscription means the maximum amount to be raised by Viculus under the Capital Raising, being \$5,000,000 for the issue of 25,000,000 Viculus Shares;

Merged Entity means Lanka Graphite Ltd, being the entity created by the merger of Euro and Viculus upon Completion of the Takeover Bid.

Minimum Subscription means the minimum amount to be raised by Viculus under the Capital Raising, being \$3,500,000, by the issue of 17,500,000 Viculus Shares;

Notice of Status of Conditions means Viculus's notice disclosing the status of the conditions to the Offer which is required to be given by section 630(3) of the Corporations Act.

Offer or means the Offer by Viculus for the Euro Shares, pursuant to the Takeover Bid made by Viculus;

Offer Consideration means the consideration that Viculus will be required to provide to Euro Securityholders upon Completion of the Takeover Bid, being (subject to the satisfaction of the Bid Conditions):

- (a) the allotment and issue of one (1) Share to Euro Shareholders for every one (1) share held in Euro; and
- (b) the allotment and issue of one (1) Option to Euro Optionholders for every one (1) Euro Option held and cancelled pursuant to the Bid Conditions.

Offer Period means the period during which the Offer will remain open for acceptance in accordance with the Bidder's Statement.

Re-admission means Viculus's re-admission to the official list of the ASX following its application for re-admission under Chapters 1 and 2 of the ASX Listing Rules;

Record Date means the date set by Viculus under Section 633(2) of the Corporations Act, being 5.00pm (AEST) on 1 August 2014;

Relevant Interest has the same meaning as given to it in sections 608 and 609 of the Corporations Act.

Related Body Corporate has the meaning given in section 9 of the Corporations Act.

Sale Nominee has the meaning given to it in clause 11.13 of this Bidder's Statement.

Subsidiary has the meaning given by Section 9 of the Corporations Act;

Superior Proposal means a publicly announced transaction or proposed transaction which, if completed substantially in accordance with its terms, would mean a person (other than Viculus or one of its Related Bodies Corporate) would become the holder of:

- (a) more than 50% of the Euro Shares; or
- (b) the whole or substantially the whole of the business, assets and undertakings of Euro;

provided that a majority of Euro Directors determine, acting in good faith after receipt of advice from Euro's financial and legal advisers and in order to satisfy what the Euro Directors consider to be their fiduciary and statutory duties, that the transaction or proposed transaction is capable of being valued and completed, taking into account all aspects of the transaction or proposed transaction (including its conditions precedent and the person or persons making it) and is a superior overall for Euro Securityholders as compared to the Takeover Bid;

Takeover Bid means Viculus's off-market takeover bid for all of the Euro Shares, made pursuant to Chapter 6 of the Corporations Act;

Target means Euro Petroleum Ltd (ACN 147 870 362).

Target's Statement means the target's statement issued by Euro pursuant to Part 6.5 Division 3 of the Corporations Act in response to the Takeover Bid.

Tenements means the project tenements in the Western Province of Sri Lanka over which exploration licences are held by Lanka Graphite SL and **Tenement** means any one of them.

Transaction means the acquisition by Viculus of all Euro Shares under the proposed Takeover Bid, and its associated transactions;

Unmarketable Parcel means a number of Viculus Shares which is less than a marketable parcel under the market rules of the ASX (currently a parcel of less than \$500), calculated based on the highest closing price for Viculus Shares published during the Bid Period (or, in relation to Viculus Shares issued in respect of accepting Euro Securityholders during the Bid Period, based on the highest closing price for Viculus Shares published between the start of the Bid Period until the last trading day before Viculus issues those Viculus Shares).

Unmarketable Parcel Euro Shareholder means a Euro Shareholder in respect of whom the total number of Viculus Shares to which that Euro Shareholder would be entitled to receive as consideration under the Offer is an Unmarketable Parcel.

Viculus means Viculus Limited (ACN 074 976 828);

Viculus Directors means a director of Viculus at the date of this Bidder's Statement, and **Viculus Director** means any one of them.

Viculus Group means Viculus and its Related Bodies Corporate.

Viculus Shareholders means the collective holders of Viculus Shares and **Viculus Shareholder** means any one of them.

Viculus Shares means a fully paid ordinary share issued in the capital of Viculus.

Viculus Option means an option to subscribe for Viculus Shares.

Interpretation

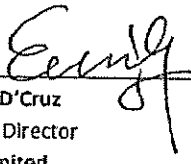
In this Bidder's Statement:

- (a) other words and phrases have the same meaning (if any) given to them in the Corporations Act.
- (b) words of any gender include all genders.
- (c) words indicating the singular include the plural and vice versa.
- (d) an expression indicating a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa.
- (e) a reference to a section, clause, attachment and schedule is a reference to a section of, clause of and an attachment and schedule to this Bidder's Statement as relevant.
- (f) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement.
- (h) a reference to time is a reference to AEST.
- (i) a reference to dollars, \$, A\$, AUD, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

15. APPROVAL OF BIDDER'S STATEMENT

This Bidder's Statement has been approved by a resolution passed by the Directors of Viculus. All Viculus directors voted in favour of that resolution.

Signed for and on behalf of
Viculus Limited



Emily Lee D'Cruz
Managing Director
Viculus Limited

ANNEXURE A

Bid Conditions

- (a) Viculus obtaining at least 80% of all issued share capital in Euro pursuant to the Takeover Bid and the Takeover Bid subsequently reaching Completion;
- (b) the shares in Euro being transferred free of all encumbrances;
- (c) the existing options on issue in Euro being cancelled (in consideration for the issuance of Options to Euro Optionholders);
- (d) Shareholder approval for Viculus's change in nature and scale of activities being obtained;
- (e) Viculus satisfactorily complying with the re admission requirements of Chapters 1 & 2 of the ASX Listing Rules and being granted in principle approval to re list on the ASX, including meeting the Minimum Subscription amount under this Prospectus;
- (f) the obtaining of any necessary shareholder approvals, under or in connection with the terms of this Agreement or the Bidder's Statement or Target's Statement, pursuant to the ASX Listing Rules, the Corporations Act 2001 and any other regulatory approvals;
- (g) any conditions or requirements ASX may impose in relation to the terms or implementation of the transaction the subject of this agreement;
- (h) completion of the acquisition of the Tenements and Exploration Licence Applications contemporaneous with Completion of the Takeover Bid; and
- (i) full discharge and release of all security interests granted by Viculus over its assets and/or undertaking so that Viculus is not subject to any registered or unregistered charges, security interests or other Encumbrances.



Return your Form:

By Mail:

Viculus Limited
Suite 32, Level 18,
101 Collins Street,
Melbourne
Victoria 3000
Australia

For all enquiries:

Phone:

03 9221 6394

Name and Address

Takeover Acceptance Form

Your form must be received by the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer by Viculus Limited (**Viculus**) to acquire 100% of your share holding in Euro Petroleum Ltd (**Euro**) upon the terms and conditions set out in the Bidder's Statement (**Offer**).

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

YOU MAY ONLY ACCEPT THE OFFER IN RELATION TO ALL OF YOUR EURO SHARES. If, however you hold your shares for several persons as trustee or nominee in respect of separate parcels of Target Shares and you wish to accept the Offer for one or more but not all of those distinct parcels, you must complete the box overleaf. If you are accepting the Offer for all shares you only need to sign this form.

A. Registration Name and Offer Details

Offer Consideration will be issued to the name(s) as they appear on the latest copy of the Euro share register. The current address recorded by Viculus is printed above and overleaf. If you have recently bought or sold Euro Shares your holding may differ from that shown. If you have already sold all Euro Shares, do not complete or return this form.

B. Accept the Offer

Only sign and return this form if you wish to accept the Offer for all of your shares.

Acceptance Instructions

To accept the Offer by Viculus to purchase your Euro Shares, please complete the details overleaf and sign and date the Acceptance Form where indicated.

Individual: Where the holding is in one name, the Shareholder must sign.

Joint Holding: Where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), the relevant POA must be produced for noting by Viculus unless already noted by it.

Companies: Where the holding is in the name of a Company, this form must be must execute the Acceptance Form as a deed and in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

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

Entering contact details will assist us if we need to contact you.

Turnover to complete the for

Takeover Acceptance Form

A. Registration Name and Offer Details

Registration Name:

Shareholding in Euro Petroleum Ltd as at [Register Date]:

Offer Details: You will receive one fully paid ordinary Share in Viculus Limited for every one Euro Petroleum Ltd Share accepted.

B. Accept the offer

Corporations execute this Acceptance as a Deed

I/We*, the person(s) named above:

1. Accept Viculus's Offer for all of my/our* shareholding in Euro, upon the terms and conditions set out in the Bidder's Statement.
2. Transfer to Viculus, for the consideration specified in the Offer, all of my/our* shareholding in Euro.
3. Agree to accept the consideration specified in the Offer as full consideration for the transfer to Viculus of my/our *Euro Shares for which I/we* accept Viculus's Offer.
4. Will forward this Acceptance Form and the appropriate documents in respect of my/our* Euro Shares for which I/we* have accepted Viculus's Offer.
5. I/we* acknowledge that some or all of the Viculus shares issued to me may be restricted securities and I/we* undertake and agree to sign any restriction agreements in relation to such shares as may be required by the ASX Listing Rules.

Individual or Shareholder 1

Sole Director and Sole
Company Secretary/
Sole Director*

Shareholder 2

Director*

Shareholder 3

Director/Company Secretary*

Date: ___/___/___

*Cross out where appropriate.

Please write the business hours telephone or mobile number and the name of the person to contact about this Acceptance Form.

Contact Name: _____

Contact Daytime Telephone: _____

If part of Your Target Shares are held by you on account of another person, your holding is taken to consist of distinct portions and separate Offers are deemed to have been made in respect of each portion. If so, your acceptance will be ineffective unless this Acceptance Form specifies the number of Target Shares in each portion to which the acceptance relates. Please complete the details of such portions in the space provided below.

Number of Euro Shares in portion	Acceptance	
	Yes	No

If you have additional portions, please attach instructions in an annexure.