

ASX Announcement

18 August 2023



DISPATCH OF SCHEME BOOKLET

DDH1 Limited (ASX: DDH) ('**DDH1**') refers to its previous announcements made on 16 August and 17 August 2023 in relation to:

- the proposed acquisition of DDH1 by Perenti Limited (ASX: PRN) ('**Perenti**') to acquire 100% of the shares on issue in DDH1 pursuant to a scheme of arrangement ('**Scheme**');
- the orders of the Federal Court of Australia ('**Court**') that DDH1 convene a meeting of DDH1 shareholders to consider and vote on the Scheme ('**Scheme Meeting**') and approve dispatch of an explanatory statement providing information about the Scheme together with notice of the Scheme Meeting (together, the '**Scheme Booklet**'); and
- the registration of the Scheme Booklet with the Australian Securities Investment Commission ('**ASIC**').

Dispatch of the Scheme Booklet

DDH1 is pleased to announce that the Scheme Booklet together with a personalised proxy form ('**Proxy Form**'), Consideration Election Form and Unmarketable Parcel Rollover Election Form ('**Consideration Election Forms**'), has been dispatched to DDH1 shareholders today.

A copy of the Scheme Booklet is available electronically for viewing and downloading at:

DDH1 Website: <https://ddh1.com.au/investors/>

ASX Website: <https://www.asx.com.au/>

DDH1 shareholders who have elected to receive electronic communications will receive an email containing instructions about how to view or download a copy of the Scheme Booklet, as well as instructions on how to lodge their Consideration Election Forms and Proxy Form for the Scheme Meeting online.

DDH1 shareholders who have elected to receive all communications via post will receive a printed copy of the Scheme Booklet together with a Proxy Form and Consideration Election Forms.

All other DDH1 shareholders will receive a letter, together with a Proxy Form and Consideration Election Forms, with instructions about how to view or download a copy of the Scheme Booklet.

DDH1 shareholders can also request a free hard copy of the Scheme Booklet by calling the DDH1 shareholder Information Line on 1300 158 729 (for callers within Australia) or +61 2 9066 4058 (for callers outside of Australia) between 8.30am and 6.00pm (Sydney time) Monday to Friday (excluding public holidays).

DDH1 shareholders should carefully read the Scheme Booklet in its entirety, including the materials accompanying it, before deciding whether to vote in favour of the Scheme.

Independent Expert's Report

The Scheme Booklet includes an Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd (**'Independent Expert'**). The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interest of DDH1 shareholders, in the absence of a Superior Proposal (as defined in the Scheme Implementation Agreement).

The Independent Expert's conclusion should be read in context with the full Independent Expert's Report and the Scheme Booklet.

DDH1 Directors' and the Independent Board Committee's recommendation and voting intention

The directors of DDH1 and the Independent Board Committee¹ continue to unanimously recommend that DDH1 shareholders vote in favour of the Scheme in the absence of a Superior Proposal (as defined in the Scheme Implementation Agreement) and subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of shareholders.² Subject to the same qualifications, each DDH1 Director intends to vote, or cause to be voted, all DDH1 shares held or controlled by them in favour of the Scheme.

Scheme Consideration Election

Under the terms of the Scheme, DDH1 shareholders (other than Ineligible Overseas Shareholders³) will be entitled to receive, for each DDH1 share held at the Record Date, \$0.1238 cash plus 0.7111 Perenti shares (or such number of Perenti shares as adjusted for any DDH1 or Perenti final FY23 declared dividend) (the **'Standard Consideration'**).

DDH1 shareholders (other than Ineligible Overseas Shareholders) may elect by 5.00pm (Perth time) on 12 September 2023 to receive either the Standard Consideration, or more cash (the **'Maximum Cash Consideration'**) or more scrip (the **'Maximum Scrip Consideration'**) (each being a **'Consideration Election'**).

The Consideration Election mechanism seeks to maximise DDH1 shareholders' preferred form of Scheme consideration, being scrip or cash, to the extent possible within the total cash pool of just over \$50 million. The Maximum Cash Consideration and Maximum Scrip Consideration will be subject to adjustment for any DDH1 or Perenti final FY23 declared dividend, and adjustment for Scaleback Arrangements (as defined in the Scheme Implementation Agreement).

DDH1 shareholders may withdraw or amend their Consideration Election by lodging a Consideration Election Amendment / Withdrawal Form so that it is received by no later than 5.00pm (Perth time) on 12 September 2023.

Unmarketable Parcel Rollover Election

DDH1 shareholders (other than Ineligible Overseas Shareholders) who believe they may prove to be an Unmarketable Parcel Shareholder⁴ may, in addition to making a Consideration Election, make an election not to have the scrip component of their Standard Consideration sold under the nominee sale process (**'Unmarketable Parcel Rollover Election'**).

Unmarketable Parcel Shareholders who do not make an Unmarketable Parcel Rollover Election by 5.00pm (Perth time) on 12 September 2023 will not receive any Perenti shares. Instead, Perenti shares to which an Unmarketable Parcel Shareholder would otherwise be entitled will be sold by a nominee under the nominee sale process, with the sale proceeds remitted to the Unmarketable Parcel Shareholder (after deduction of any applicable brokerage and other costs, taxes and charges).

Unmarketable Parcel Shareholders may withdraw an Unmarketable Parcel Rollover Election by lodging a signed Unmarketable Election Withdrawal Form, so that it is received by no later than 5.00pm (Perth time) on 12 September 2023.

Indicative timeline

The key events and expected timing in relation to the approval and implementation of the Scheme are set out in the table below:

Election Date (being the last time and date by which completed Consideration Election Form, or Consideration Election Amendment / Withdrawal Form or Unmarketable Parcel Rollover Election Form or Unmarketable Election Withdrawal Form, must be received)	5:00pm (Perth time) on 12 September 2023
Date for determining calculations as to the operation of the Scaleback Arrangements, based on the Elections received on the Election Date	13 September 2023
Latest time and date for lodgement of the completed Proxy Form for the Scheme Meeting	1:00pm (Perth time) on 16 September 2023
Time and date for determining the eligibility of DDH1 shareholders to vote at the Scheme Meeting	1:00pm (Perth time) on 16 September 2023
Time and date of the Scheme Meeting	1:00pm (Perth time) on 18 September 2023
Second Court Date	26 September 2023
Effective Date of the Scheme	27 September 2023
Last date of trading of DDH1 shares on ASX	27 September 2023
Record date for Scheme	5:00pm (Perth time) on 29 September 2023
Implementation Date of the Scheme and payment of the Scheme Consideration	6 October 2023

Note: All stated dates and times are indicative only and subject to necessary approvals from the Court and each other condition precedent to the Scheme being satisfied or waived. DDH1 has the right to vary the timetable detailed above subject to the approval of such variation by Perenti, the Federal Court, and ASIC where required. Any changes to the above timetable will be announced to ASX and will be available under the Company's profile on ASX at <https://www.asx.com.au/>

Supplementary information

As DDH1's and Perenti's audited financial statements for the full year ended 30 June 2023 will not be available until after the date of the Scheme Booklet, DDH1 intends to seek Court approval for the release of a supplementary Scheme Booklet disclosing the audited financial statements, details of any dividends declared by DDH1 or Perenti and any related implications for DDH1 Shareholders.

Further information

If you have any questions about this Scheme Booklet or the Scheme, please visit DDH1's website at <https://ddh1.com.au/investors/> or contact the DDH1 Shareholder Information Line on 1300 158 729 (for callers within Australia) or +61 2 9066 4058 (for callers outside of Australia) between 8.30am and 6.00pm (Sydney time) Monday to Friday (excluding public holidays).

This announcement has been approved for lodgement by the Board of Directors of DDH1 Limited.

For further information, please contact:

Sy Van Dyk

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DDH1 Limited

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Simon Franich

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Notes

- ¹ DDH1's Independent Board Committee is comprised of DDH1's three Independent Directors, being Ms Diane Smith-Gander, Ms Andrea Sutton, and Mr Alan Broome, together with the Managing Director & CEO, Mr Sy van Dyk.
- ² When considering the Directors' recommendation, you should note that Mr Sy Van Dyk, Managing Director & CEO of DDH1, will be receiving a benefit if the Scheme proceeds (see Scheme Booklet Section 11.5). As at the date of this Scheme Booklet, Mr Van Dyk holds 758,202 DDH1 Performance Rights that will, in accordance with the Scheme, vest on or before the Record Date, resulting in the issue of 758,202 DDH1 Shares to Mr Van Dyk (see Scheme Booklet Sections 1.12, 4.5 and 11.1 for further information). As at the date of the Scheme Booklet, Mr Van Dyk also holds 4,625,000 DDH1 Loan Shares with an outstanding loan balance of \$1,684,954 (see Scheme Booklet Sections 4.6 and 11.1 for further information). In respect of these DDH1 Loan Shares, if the Scheme is implemented, rather than the Scheme triggering repayment of the loan within 3 business days of implementation, it is proposed that Perenti will enter into a DDH1 Loan Share Deed with Mr Van Dyk on substantially the same terms as the existing loan agreement terms (see Scheme Booklet Section 4.6 for further information). In addition, if the Scheme is implemented, it is proposed that Mr Van Dyk and a Perenti Group member enter into an executive services agreement for total remuneration consistent with his existing arrangements with the DDH1 Group (see Scheme Booklet Section 11.5 for further information). Despite this interest in the outcome of the Scheme, Mr Van Dyk considers that, given the importance of the Scheme, and his role as Managing Director & CEO of DDH1, it is important and appropriate for him to provide a recommendation to DDH1 Shareholders in relation to voting on the Scheme. Additionally, the DDH1 Board (excluding Mr Van Dyk) also considers that it is appropriate for Mr Van Dyk to make a recommendation on the Scheme given his role in the management and operations of DDH1. You should further note when considering this recommendation that, if the Scheme is implemented, Ms Diane Smith-Gander, Chairperson and Independent Non-Executive Director of DDH1, and Ms Andrea Sutton, Independent Non-Executive Director of DDH1, will be appointed as Non-Executive Directors of Perenti on terms consistent with Perenti's existing remuneration policy (see Scheme Booklet Sections 6.3(d) and 11.5 for further information). You should also note when considering this recommendation that Mr Murray Pollock, Non-Executive Director of DDH1, has a Relevant Interest in the DDH1 Shares held by substantial shareholder, Western Alloys Pty Ltd as trustee for the Westall Investment Trust (see Scheme Booklet Sections 4.5 and 11.5 for further information).
- ³ An Ineligible Overseas Shareholder means a DDH1 shareholder whose address shown in the DDH1 Share Register on the Record Date is a place outside Australia and its external territories and New Zealand, unless Perenti determines that it is lawful and not unduly onerous or impracticable to issue that DDH1 shareholder with New Perenti Shares when the Scheme becomes Effective.
- ⁴ A DDH1 shareholder (other than an Ineligible Overseas Shareholder) will be an Unmarketable Parcel Shareholder where, based on their holding of Scheme Shares on the Record Date, their Consideration Election and the operation of the Scaleback Arrangements (if applicable), they would, on implementation of the Scheme, be entitled to receive a parcel of New Perenti Shares worth less than \$500 (assessed by reference to the price of Perenti Shares on ASX at the close of trade on the trading day prior to the Record Date).

About DDH1 Limited

DDH1 is a quality global drilling company.

The Company has four strong and well-established brands: DDH1 Drilling, Ranger Drilling, Strike Drilling and Swick Mining Services. Together they create a global scale mineral drilling company with operations throughout Australia, North America and Western Europe.

The Company has 193 rigs and one of the top five largest fleets globally (approx. 60% surface and 40% underground). DDH1 maintains a modern fleet with best-in-class technology to deliver optimal productivity, value and safety for clients.

The Company offers a broad range of specialty drilling services across the mining value chain and has a reputation for quality and service delivery. Approximately 80% of DDH1's clients are repeat business.

The Company revenue is predominately derived from the production and resource definition phase, which is less cyclical. DDH1's drilling services are commodity agnostic and it has exposure to a diverse range of commodities including gold, iron ore, nickel, copper and other critical metals. DDH1 has no exposure to coal.

DDH1 prioritises safety and is investing in automation and rigs of the future to minimise perceived high-risk operations and impact on the environment.

The Company has an experienced leadership team and a best-in-class workforce. Together they maintain a quality-focused culture and are driving its organic and inorganic growth strategy for shareholders.

For more information, please visit www.ddh1.com.au