

New Dawn Energy Limited
PO Box 36797
Merivale
Christchurch, 8146

22 October 2012

L&M Energy Limited
Level 9, St John House
114 The Terrace
PO Box 10895
Wellington, 6143

By email: brucem@lmenenergy.co.nz

Takeover Notice under rule 41 of the Takeovers Code

New Dawn Energy Limited (the **Offeror**) hereby gives notice pursuant to rule 41 of the Takeovers Code (the **Code**) of its intention to make a full takeover offer for 100% of the fully paid ordinary shares and options to acquire fully paid ordinary shares in L&M Energy Limited (**L&M Energy**) not already held by the Offeror.

Attached is the form of offer document proposed to be sent to L&M Energy shareholders and optionholders. It includes the information specified in Schedule 1 to the Code which is required to be contained in, or to accompany, this notice. Also attached is the independent adviser's report required under rule 22 of the Code. The form of offer document includes the signed certificate required under clause 19 of Schedule 1 to the Code.

If the Offeror proceeds to make a takeover offer, the offer to L&M Energy shareholders will be made in the form of the attached offer document, with any modifications and additional information permitted or required by the Code.

Please provide the class notice in accordance with rule 42A of the Code containing a description of each of L&M Energy's equity securities, whether voting or non-voting.

Yours faithfully



Geoff Loudon
Director
New Dawn Energy Limited

cc. **The Takeovers Panel**
Level 3, Solnet House
70 The Terrace
Wellington 6011
By email: takeovers.panel@takeovers.govt.nz

cc. **New Zealand Exchange Limited**
Level 2, NZX Centre
11 Cable Street
PO Box 2959
Wellington
By email: announce@nzx.com

cc. **Australian Securities Exchange**
Exchange Centre
20 Bridge Street
Sydney
By fax: +61 2 9778 0999

**FULL OFFER UNDER THE TAKEOVERS CODE BY
NEW DAWN ENERGY LIMITED
TO PURCHASE ALL OF THE EQUITY SECURITIES IN
L&M ENERGY LIMITED**

Dated [•] 2012

IMPORTANT

If you are in doubt as to any aspect of the Offer, you should consult your financial or legal adviser.

If you have sold all your securities in L&M Energy Limited (**L&M Energy**) to which the Offer applies, you should immediately hand this Offer Document and the accompanying Acceptance Forms to the purchaser or the agent (e.g., the broker) through whom the sale was made, to be passed to the purchaser.

L&M Energy's target company statement, together with an independent adviser's report on the merits of the Offer and another independent adviser's report on the fairness and reasonableness of the consideration and terms of the Offer as between classes of securities, either accompanies the Offer or will be sent to you within 14 days and should be read in conjunction with the Offer.

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Defined terms used in this Offer Document are set out on pages 17 to 20.

CHAIRMAN'S LETTER

[•]

Dear Shareholder

I am very pleased to make a conditional cash offer (the **Offer**) for all the shares and options in L&M Energy Limited (**L&M Energy**) through a new company I have formed called New Dawn Energy Limited (**New Dawn Energy**).

The Offer is being made at a very attractive offer price of AUD\$0.06 in cash per share. This represents a 43% premium to the closing share price for the shares on the ASX on 17 October 2012, and also a premium to the volume weighted average price of the shares on the ASX over the last one, two and three month periods prior to 17 October 2012 of 40%, 40% and 23% respectively.

The consideration for the options ranges from AUD\$0.0000 to AUD\$0.0599 in cash per option, depending upon the date and terms of issue of each option.

The background to the Offer is that L&M Energy will shortly need more capital.

Shareholders will recall that in June 2012 I injected A\$5 million into L&M Energy by way of a bridging loan facility which subsequently became a convertible note following approval by shareholders on 29 June 2012. The convertible note was necessary because L&M Energy was projected to have expended all of its available funds by mid-2012. I was prepared to support L&M Energy at that time as there were no alternative sources of capital available to it. These funds are expected to suffice until the end of the first quarter in 2013, but beyond this time further capital will almost certainly be needed.

It is possible L&M Energy could seek to raise the additional capital it needs from shareholders by way of a rights issue. However, given current market conditions and the nature of L&M Energy's business as an exploration company, I would fully expect that a rights issue would be very heavily discounted from L&M Energy's current share price and therefore highly dilutive for those shareholders who elected not to participate. Some of L&M Energy's other large shareholders have indicated to me that they would not be prepared to participate in a rights issue and, in fact, would like to exit their investment in L&M Energy. As shareholders will know, the market for L&M Energy shares is highly illiquid meaning that it is not possible for large shareholders to sell their shares on market.

The combination of these factors has led me to conclude that the only real option in these circumstances is for me, through New Dawn Energy, to make a full cash offer for L&M Energy to all shareholders and optionholders. The Offer will provide shareholders with the opportunity to sell their shares in L&M Energy at a significant premium to the current share price rather than face the possibility of investing further or accepting a heavy dilution of their shareholdings.

The Offer is strongly supported by L&M Energy's other key shareholders. Including my shareholding in L&M Energy, 71.72% of L&M Energy's shareholders have committed to accept the Offer unless a higher offer for their shares is received from somebody else before the Offer becomes unconditional.

The Offer is conditional on New Dawn Energy receiving a minimum of 90% acceptances and certain other conditions. Therefore, I would encourage shareholders to accept the Offer as soon as it is made. The Offer includes a withdrawal right. As a result, there is no downside in your accepting the Offer if there is a cash takeover made (or scheme of arrangement recommended by the independent directors of, and announced by, L&M Energy in accordance with the ASX Listing Rules and/or NZSX Listing Rules and any other laws) offering a higher price for 100% of the shares and options on no less favourable terms and conditions than the Offer, prior to the Offer being declared unconditional. The terms and conditions of the withdrawal right are set out in clause 3.8 of this Offer Document. If you accept the Offer, you will not incur any brokerage costs in relation to the sale of your shares.

Making an offer for L&M Energy is not something I have done lightly. However, I believe it is the right thing to do for shareholders and to ensure the continuation of the proud history of L&M Energy as a leading exploration company in New Zealand.

Further details of the Offer are set out in this Offer Document.

Yours sincerely

Mr Geoff Loudon
Chairman
New Dawn Energy Limited

SUMMARY OF OFFER

On 22 October 2012 (**Notice Date**) New Dawn Energy Limited (**New Dawn Energy**) announced that it would make a full offer under the Takeovers Code for all of the fully paid ordinary shares, and all of the options to acquire ordinary shares, in L&M Energy Limited (**L&M Energy**) not already held by New Dawn Energy.

L&M Energy's equity securities comprise ordinary shares listed on the NZSX and ASX (**Shares**) and unlisted options to acquire Shares (**Options**).

As at the date of the Offer, New Dawn Energy does not hold any Shares or Options. Mr Geoff Loudon, the sole shareholder in New Dawn Energy, owns 173,000,000 Shares and 5,925,000 Options. On 22 October 2012, New Dawn Energy and Mr Loudon entered into a Lock-Up Agreement under which Mr Loudon agreed to accept the Offer in respect of his Shares and Options (subject to the terms of the Lock-Up Agreement).

The key terms of the Offer are:

Share Offer Price	The consideration offered for each Share is AUD\$0.06 in cash.
Option Offer Price	The consideration for the Options ranges from AUD\$0.0000 to AUD\$0.0599 in cash per Option, depending upon the date and terms of issue of the relevant Option.
Full Offer	The Offer is for 100% of the Equity Securities not already held by New Dawn Energy.
How to ACCEPT	If you wish to ACCEPT the Offer, please refer to the section " HOW TO ACCEPT THE OFFER " on pages 6 and 7 of this Offer Document and the Acceptance Forms enclosed with this Offer Document.
Conditions	The Offer is conditional on the conditions set out in clauses 4.1 to 4.4.
Withdrawal Right	The Offer includes a withdrawal right for Shareholders and Optionholders. As a result, there is no downside in your accepting the Offer if there is a cash takeover offer made (or scheme of arrangement recommended by the independent directors of, and announced by, L&M Energy in accordance with the ASX Listing Rules and/or NZSX Listing Rules and any other laws) offering a higher price for 100% of the Shares and Options on no less favourable terms and conditions than the Offer, prior to the Offer being declared unconditional. The terms and conditions of the withdrawal right are set out in full in clause 3.8.
Closing Time	The Offer closes at 7.00p.m. (NZ time) (5.00p.m. AEST) on [date 30 days after the date of the Offer] (unless the Offer Period is extended in accordance with this Offer Document and the Takeovers Code).
Payment Date	If you accept the Offer, you will be paid the consideration for your Shares and/or Options in Australian dollars no later than seven days after the later of: the date on which your acceptance is received by New Dawn Energy, the date on which the Offer is declared unconditional, and the Closing Time.
Brokerage Costs	You will not pay any brokerage costs if you accept the Offer.

Important Contacts

If you have any questions about the Offer or you require further copies of this Offer Document and enclosures (including the Acceptance Forms, Withdrawal Notices and the reply paid envelopes) you should contact the share registrar for the Offer, Computershare Investor Services Limited or Computershare Investor Services Pty Limited.

If calling from within New Zealand:

Telephone: 09 488 8777
Facsimile: 09 488 8787

If calling from outside
New Zealand:

Telephone: +64 9 488 8777
Facsimile: +64 9 488 8787

Email:

corporateactions@computershare.co.nz

Advisers

Alternatively, you should contact your financial or legal adviser.

**THIS IS ONLY A SUMMARY OF THE OFFER.
THE DETAILED TERMS AND CONDITIONS OF THE OFFER ARE SET OUT ON PAGES 8 TO 20 OF
THIS OFFER DOCUMENT. YOU SHOULD READ THESE CAREFULLY.**

HOW TO ACCEPT THE OFFER

Closing Time	<p>The Offer is scheduled to close at 7.00p.m. (NZ time) (5.00p.m. AEST) on [date 30 days after the date of the Offer] (unless extended in accordance with this Offer Document and the Takeovers Code).</p> <p>If you wish to ACCEPT the Offer you must ensure that your Acceptance Form is received by New Dawn Energy before the Closing Time.</p>
How to accept	<p>To ACCEPT the Offer, you should complete the relevant Acceptance Form(s) enclosed with this Offer Document in accordance with the instructions set out on that form and then return that form to the address set out below.</p>
Address for Acceptance	<p>You should mail or deliver the completed Acceptance Form(s) in the enclosed reply paid envelope to New Dawn Energy at the following address:</p>
Mail (New Zealand)	<p>New Dawn Energy Limited c/- Computershare Investor Services Limited Private Bag 92119 Victoria Street West Auckland 1142 New Zealand</p>
Mail (Australia)	<p>New Dawn Energy Limited c/- Computershare Investor Services Pty Limited GPO Box 52 Melbourne Victoria 3001 Australia</p>
Deliver (New Zealand)	<p>New Dawn Energy Limited c/- Computershare Investor Services Limited Level 2, 159 Hurstmere Road Takapuna Auckland New Zealand</p>
Facsimile	<p>You may also fax your completed Acceptance Form(s) to:</p> <p>New Dawn Energy Limited c/- Computershare Investor Services Limited on 09 488 8787 (or, if outside New Zealand, +64 9 488 8787)</p>
Email	<p>You may also email your completed Acceptance Form(s) to:</p> <p>New Dawn Energy Limited c/- Computershare Investor Services Limited corporateactions@computershare.co.nz (Please put "New Dawn Energy Limited Acceptance" in the subject line for easy identification)</p>

CHES holding

If you hold your Shares in a CHES holding, to accept the Offer you can either:

- instruct your Controlling Participant directly – normally your share broker. If you do this, you will need to sign and return the Acceptance Form(s) to your Controlling Participant: or
- authorise New Dawn Energy to contact your Controlling Participant on your behalf, which you can do by signing and returning the Acceptance Form(s) to either of the addresses above so that it is received in sufficient time to allow your instruction to be acted upon by **7.00p.m. (NZ time) (5.00p.m. AEST)** on **[date 30 days after the date of the Offer]** (which will authorise New Dawn Energy and Computershare Investor Services Pty Limited to instruct your Controlling Participant to initiate acceptance of the offer on your behalf). By signing and returning this form you will be deemed to have authorised New Dawn Energy to contact your Controlling Participant directly via the CHES system. Neither New Dawn Energy nor Computershare Investor Services Pty Limited will be responsible for any delays incurred by this process.

Important

ACCEPTANCES MUST BE RECEIVED BY OR POST-MARKED NOT LATER THAN 7.00P.M. (NZ TIME) (5.00P.M. AEST). ON [date 30 days after the date of the Offer] (unless the Offer Period is extended in accordance with this Offer Document and the Takeovers Code).

If you have sold all of your Shares or Options

Please send this Offer Document and all enclosures (including the Acceptance Forms) immediately to the purchaser or agent (e.g., the broker) through whom the sale was made, to be passed to New Dawn Energy.

If you have sold some of your Shares or Options

If you have sold some of your Shares or Options, please alter the total holding printed on the Acceptance Form(s) to the number of Shares or Options which you have retained, initial the change and forward the amended Acceptance Form(s) in any of the ways instructed above.

Upon receipt of your amended Acceptance Form(s), New Dawn Energy will recalculate the payment amount to which you are entitled to reflect the number of Shares or Options you hold.

Please also advise the purchaser(s) of your Shares or Options, or request the broker through whom you made the sale to advise the purchaser(s) of your Shares or Options, of the Offer and that copies of this Offer Document are available from Computershare Investor Services Limited or Computershare Investor Services Pty Limited. You should also advise Computershare Investor Services Limited or Computershare Investor Services Pty Limited of the number of Shares or Options sold and the agent (e.g., the sharebroker) involved.

If you have lost your Acceptance Form(s) or if you have any other questions in relation to the Offer

If you have lost your Acceptance Form(s) or if you have any other questions in relation to the Offer, please telephone Computershare Investor Services Limited on 09 488 8777 (or, if calling from outside New Zealand, +64 9 488 8777) or email corporateactions@computershare.co.nz and, if necessary, they will provide you with a new form.

TERMS AND CONDITIONS OF THE OFFER

Full offer by New Dawn Energy to purchase all the Equity Securities in L&M Energy that New Dawn Energy does not hold as at the date of this Offer Document.

Date of Offer: [e]

To: The Shareholders and Optionholders

1. The Offer

1.1 The Offer

New Dawn Energy hereby offers to acquire, on the terms and conditions set out in this Offer Document:

- (a) all of the fully paid ordinary shares in L&M Energy not already held by New Dawn Energy. All such shares are referred to in this Offer Document as the **Shares** and each of them individually is referred to as a **Share**; and
- (b) all of the options to acquire ordinary shares in L&M Energy not already held by New Dawn Energy. All such options are referred to in this Offer Document as **Options** and each of them individually is referred to as an **Option**.

1.2 The Offer Period

The Offer will remain open for acceptance until and including the closing time of **7.00p.m. (NZ time) (5.00p.m. AEST)** on **[date 30 days after the date of the Offer]** in accordance with the Takeovers Code (the **Offer Period**), unless the Offer is withdrawn in accordance with the Takeovers Code and every person is released from every obligation incurred under its terms, or it lapses in accordance with its terms.

New Dawn Energy may extend the Offer Period, subject to the provisions of this Offer Document and the Takeovers Code. The time the Offer expires is referred to in this Offer Document as the **Closing Time**.

1.3 Persons who may accept

The Offer is open for acceptance by any person who holds Shares and/or Options, whether acquired before or after the date of the Offer, upon production of satisfactory evidence of that person's entitlement to those Shares and/or Options.

1.4 Acceptance Forms

The enclosed Acceptance Forms comprise part of the Offer. An Acceptance Form duly completed will, subject to the terms of the Offer, be treated by New Dawn Energy as a valid acceptance of the Offer.

1.5 Takeover Offer

The Offer is also made subject to the further terms and conditions in clauses 2 to 8 and to the Takeovers Code.

2. Consideration

2.1 The consideration offered for each Share is AUD\$0.06 in cash.

2.2 The consideration offered for each Option depends on the date and terms of issue of that Option. Subject to the terms of the Offer, New Dawn Energy is offering the price in cash listed in the fourth column of the table below (the **Option Table**) for each Option of the corresponding tranche.

Tranche / Issue Date	Exercise Price	Expiry Date	Offer Price (AUD\$)
A. Employee Share Options			
1	AUD\$0.20	30 October 2012	0.0000
2	AUD\$0.20	15 April 2013	0.0004
3	AUD\$0.125	5 November 2013	0.0059
4	AUD\$0.10	27 April 2014	0.0115
5	AUD\$0.11	12 November 2014	0.0135
6	AUD\$0.14	17 March 2015	0.0126
7	AUD\$0.14	28 April 2015	0.0127
8	AUD\$0.12	10 November 2015	0.0168
9	AUD\$0.12	2 May 2016	0.0178
10	AUD\$0.12	7 November 2016	0.0196
11	AUD\$0.07	28 February 2017	0.0255
12	AUD\$0.12	28 June 2017	0.0202
B. Consideration Options - Vested			
26 February 2010	NZD\$0.0001	26 February 2015	0.0599
C. Consideration Options - Non-Vested			
26 February 2010	NZD\$0.0001	26 February 2015	0.0554

2.3 The consideration for the Offer will be paid by New Dawn Energy by cheque sent by ordinary mail or paid in cleared funds by electronic transfer to each accepting Shareholder and/or Optionholder (each such person an **Acceptor**) not later than seven days after the later of:

- (a) the date on which the Offer becomes unconditional;
- (b) the date on which an acceptance is received from that Shareholder and/or Optionholder; and
- (c) the Closing Time.

2.4 Acceptors may elect their preferred method of payment on the relevant Acceptance Form(s) (subject to the terms set out in the Acceptance Form(s)). Acceptors should also review the information in the Acceptance Form(s) in relation to receiving the consideration by each payment method. Shareholders who hold their Shares in a CHESS holding will receive their consideration by cheque only.

2.5 If the consideration for the Offer is not sent within the period specified in clause 2.3 to any Acceptor, that Acceptor may withdraw their acceptance of the Offer by notice in writing to New Dawn Energy, but only after the expiration of seven days' written notice to New Dawn Energy of the Acceptor's intention to do so. This right to withdraw acceptance of the Offer will not apply if the Acceptor receives the consideration during that seven day period.

3. How to accept the Offer

- 3.1 You may only accept the Offer in respect of **all Shares** and/or **all Options** held by the same beneficial owner.
- 3.2 If you wish to accept the Offer, you need to:
- (a) complete the relevant enclosed Acceptance Form(s) in accordance with the instructions set out on the relevant Acceptance Form; and
 - (b) return the completed Acceptance Form(s) in the enclosed reply paid envelope as soon as possible, but in any event so as to be received by New Dawn Energy or post-marked not later than the Closing Time. If the reply paid envelope has been mislaid, please contact Computershare Investor Services Limited or Computershare Investor Services Pty Limited.

You may also fax or email your completed Acceptance Form(s) to New Dawn Energy, c/- Computershare Investor Services Limited on 09 488 8787 (or, if outside New Zealand, +64 9 488 8787) or corporateactions@computershare.co.nz.

- 3.3 If you hold your Shares in a CHESS holding, to accept the Offer you can either:
- (a) instruct your Controlling Participant directly – normally your share broker. If you do this, you will need to sign and return the relevant Acceptance Form(s) to your Controlling Participant; or
 - (b) authorise New Dawn Energy to contact your Controlling Participant on your behalf, which you can do by signing and returning the relevant Acceptance Form(s) to one of the specified addresses so that it is received in sufficient time to allow your instruction to be acted upon by **7.00p.m. (NZ time) (5.00p.m. AEST)** on **[date 30 days after the date of the Offer]** (which will authorise New Dawn Energy and Computershare Investor Services Pty Limited to instruct your Controlling Participant to initiate acceptance of the offer on your behalf). By signing and returning this form you will be deemed to have authorised New Dawn Energy to contact your Controlling Participant directly via the CHESS system. Neither New Dawn Energy nor Computershare Investor Services Pty Limited will be responsible for any delays incurred by this process.
- 3.4 No acknowledgement of the receipt of acceptances of the Offer will be issued by or on behalf of New Dawn Energy.
- 3.5 New Dawn Energy may, in its discretion, treat any Acceptance Form as valid notwithstanding that it does not comply with this clause 3, and may, in its discretion, rectify any errors in, or omissions from, any Acceptance Form. New Dawn Energy will determine, in its sole discretion, all questions relating to documents, including the validity, eligibility, time of receipt and effectiveness of an acceptance of the Offer. The determination of New Dawn Energy will be final and binding on all parties.
- 3.6 Acceptance of the Offer by an Acceptor constitutes a contract between that Acceptor and New Dawn Energy on the terms and subject to the conditions of the Offer. Other than in the circumstances set out in clauses 2.5, 3.7 and 3.8, acceptances of the Offer are irrevocable and you may not withdraw your acceptance during the time the Offer is open for acceptance, whether or not there has been any permissible variation of the Offer in accordance with the Takeovers Code.
- 3.7 Notwithstanding clause 3.6, New Dawn Energy will be released from its obligations under the Offer, and arising from acceptance of the Offer, if the Offer:

- (a) is withdrawn with the consent of the Takeovers Panel; or
- (b) lapses as a result of any condition contained in the Offer not being satisfied or waived by the date specified as the latest date for satisfaction of that condition.

3.8 If a Shareholder or Optionholder accepts the Offer, it may only withdraw that acceptance in accordance with clause 3.9 if:

- (a) L&M Energy has received a despatch notice (in accordance with rule 45(1)(a) of the Takeovers Code) (the **Despatch Notice**) of a competing full takeover offer (or a scheme of arrangement is recommended by the independent directors of, and announced by, L&M Energy in accordance with the ASX Listing Rules and/or NZSX Listing Rules and any other laws) offering cash consideration at a price per Equity Security greater than the price then offered by New Dawn Energy under the Offer (which price may be varied by New Dawn Energy in accordance with rule 27 of the Takeovers Code) and otherwise on terms (including conditions) no less favourable to Shareholders and Optionholders than those contained in the Offer (the **Competing Offer**); and
- (b) the Competing Offer is for all the Equity Securities pursuant to a full takeover offer complying with the Takeovers Code (or scheme of arrangement recommended by the independent directors of, and announced by, L&M Energy in accordance with the ASX Listing Rules and/or NZSX Listing Rules and any other laws); and
- (c) New Dawn Energy does not, during the period commencing on the date on which L&M Energy receives the Despatch Notice and ending on the date which is five business days after the date of receipt by L&M Energy of the Despatch Notice, vary the price of the Offer in accordance with rule 27 of the Takeovers Code such that its varied price is greater than or equal to the price offered under the Competing Offer.

Any withdrawal must be made prior to the date upon which New Dawn Energy declares the Offer unconditional.

3.9 A Shareholder and/or Optionholder who accepts the Offer can invoke the withdrawal rights set out in clause 3.8 by completing and returning the relevant enclosed Withdrawal Notice(s) in accordance with the instructions. To be effective, a Withdrawal Notice must be received by New Dawn Energy prior to the date upon which New Dawn Energy declares the Offer unconditional.

3.10 Legal and beneficial ownership and title to the Shares and/or Options which are the subject of an acceptance of the Offer shall pass to New Dawn Energy, and the registration of the transfer of those Shares and/or Options shall take place, contemporaneously with the consideration for such Shares and/or Options being sent in accordance with clause 2.3.

3.11 The number of Shares and/or Options that a person accepting the Offer may dispose of under the Offer shall be determined by reference to the number of Shares and/or Options held by that person at the Closing Time, as recorded in the share register of L&M Energy.

3.12 New Dawn Energy may choose to engage the services of one or more Primary Market Participants (as that term is defined in the NZX Participant Rules) or other financial advisory firms (together the **Brokers** and each a **Broker**) to contact Shareholders and receive Acceptance Forms. If New Dawn Energy chooses to do this, the key terms of engagement will be as follows:

- (a) for each completed and valid Acceptance Form procured by a Broker, New Dawn Energy may pay that Broker a handling or procurement fee in respect of the Shares the subject of the Acceptance Form (the **Procurement Fee**). The amount of the Procurement Fee will be 0.75% of the consideration payable by New Dawn Energy under the Offer to the relevant Acceptor in respect of the Acceptance Form received. The Procurement Fee will be subject to a minimum amount of NZD\$50 and a maximum amount of NZD\$750 for a

single Acceptance Form inclusive of GST (if any). Where the Broker completes a single Acceptance Form for one or more Shareholders that it has procured to accept the Offer, the Procurement Fee will be paid in respect of each Shareholder acceptance listed on that Acceptance Form (subject to the provisions of this clause 3.12);

- (b) the Broker will be paid, and receive, the Procurement Fee solely in connection with its services to New Dawn Energy and must not, directly or indirectly, pass on any or all of the Procurement Fee to any Acceptor, or share the Procurement Fee with any Acceptor;
- (c) the payment of a Procurement Fee to a Broker in respect of an Acceptance Form procured by that Broker or acceptance (where the Broker completes a single Acceptance Form for one or more Shareholders that it has procured to accept the Offer) is in all respects conditional on the Shares, which are the subject of that Acceptance Form, being validly transferred to New Dawn Energy under the Offer. No Procurement Fees will be payable if the Offer is not declared unconditional by New Dawn Energy. In addition, the Acceptance Form must be delivered to New Dawn Energy in accordance with this Offer Document (including clause 3.2) and must be stamped by the Broker (and only that Broker). A Procurement Fee will not be paid in respect of any Shares acquired by New Dawn Energy through the compulsory acquisition provisions set out in Part 7 of the Takeovers Code;
- (d) Brokers are precluded from receipt of any Procurement Fee in respect of Shares in which they or their associates have relevant interests;
- (e) New Dawn Energy may, in determining the Procurement Fee payable to a Broker, aggregate and/or disregard any acceptance of the Offer procured by that Broker if New Dawn Energy believes that a party has structured holdings of Shares for the purpose or with the effect of enabling parties to take advantage of the arrangements set out in this clause 3.12;
- (f) New Dawn Energy will determine, in its sole discretion, any disputes relating to the payment of a Procurement Fee. The determination of New Dawn Energy will be final and binding on all parties; and
- (g) no Procurement Fees are payable in respect of any Shares that are subject to a Lock-Up Agreement or are otherwise held by any Locked-Up Shareholder.

4. Conditions of Offer

- 4.1 The Offer, and any contract arising from acceptance of it, is conditional on New Dawn Energy receiving acceptances by no later than the Closing Time in respect of Shares that would, upon the Offer being declared unconditional and the relevant Shares being transferred to New Dawn Energy, result in New Dawn Energy holding or controlling 90% or more of the voting rights in L&M Energy.
- 4.2 The Offer, and any contract arising from acceptance of it, is subject to the conditions that, during the period from the Notice Date until the date the Offer is declared unconditional by New Dawn Energy:
 - (a) no dividends, bonuses or other payments or distributions of any nature have been or are declared, paid or made upon or in respect of any of the Shares or any shares or other securities in any of L&M Energy's subsidiaries (L&M Energy, together with its subsidiaries, the **L&M Energy Group**), other than any dividend or distribution from wholly owned subsidiaries of L&M Energy to other members of the L&M Energy Group;
 - (b) (i) no further shares, convertible securities or options or any other securities of any description of any member of the L&M Energy Group have been or are issued

(other than on due exercise of an Option in accordance with its terms as those terms are applicable as at the Notice Date);

- (ii) no shares, convertible securities or options or any other securities of any description of any member of the L&M Energy Group have been or are reclassified, subdivided or consolidated; and
 - (iii) there have been no, and will be no, alteration of rights, privileges, entitlements or restrictions attaching to the Shares, convertible securities or Options or any other securities of any description of any member of the L&M Energy Group;
- (c) no Shares or Options have been or will be acquired by L&M Energy;
- (d) the business of L&M Energy and each other member of the L&M Energy Group is carried on in the normal and ordinary course, consistent with past practices;
- (e) except in relation to or in connection with bidding for Petroleum Exploration Permit(s) as part of the '2012 Block Offer' being conducted by the Ministry of Business, Innovation and Employment (New Zealand Petroleum & Minerals), neither L&M Energy nor any other member of the L&M Energy Group:
- (i) disposes of, purchases, transfers, leases, grants a security interest or other security over, grants an option or legal or equitable interest in respect of, or otherwise deals with a legal or equitable interest in, any shares, asset (including contractual rights), business operation, property or interest in any joint venture, entity or undertaking; or
 - (ii) agrees (including varying any agreement) or otherwise is obligated, becomes, or asserts it is or has become, subject to any obligation (whether actual or contingent), to do any of the actions referred to in clause 4.2(e)(i) for, or in respect of, any shares, asset (including contractual rights), business operation, property or interest in any joint venture, entity or undertaking; or
 - (iii) makes or agrees to make any unusual or abnormal payment, or enters into, or agrees to enter into, any new contract, commitment, liability, arrangement or agreement, or alters, or agrees to alter, the terms of any existing contract, commitment, liability, arrangement or agreement,
- otherwise than in the normal and ordinary course of business, consistent with past practices;
- (f) neither L&M Energy nor any other member of the L&M Energy Group enters into or has entered into a "major transaction" (as that term is defined in section 129 of the Companies Act 1993) or a transaction or arrangement to which NZSX Listing Rule 9.1 or Chapter 11 of the ASX Listing Rules (as the case may be) applies (or would apply but for the granting of a waiver or ruling);
- (g) no Shares have been or will be made the subject of any option or right to subscribe;
- (h) no action, dispute, claim, litigation, arbitration or other form of proceedings being notified, threatened or commenced by or against L&M Energy or any other member of the L&M Energy Group (including in respect of any shares, asset (including contractual rights), business operation, property or interest in any joint venture, entity or undertaking) involving a bona fide claim or bona fide claims together totalling in excess of NZD\$1,000,000;
- (i) no liquidator, receiver, receiver and manager, administrator (voluntary or otherwise), statutory manager or similar official is appointed to L&M Energy, or any other member of the L&M Energy Group, or is appointed in relation to any of their respective assets, and

no proceedings or other action to appoint any such party is announced in respect of any of them;

- (j) there is no event or circumstance that has occurred on or after the Notice Date that has had, or could reasonably be expected to have, a material adverse effect on the financial position, trading operations, business operations, assets (including contractual rights), liabilities, property or prospects (including future profitability) of L&M Energy or any other member of the L&M Energy Group taken as a whole when compared with the position as at immediately prior to the Notice Date, provided that this shall exclude any events or circumstances that generally affect a person carrying on the business in New Zealand of owning and exploiting, or seeking to exploit, Petroleum Exploration Permits and/or Coal Prospecting Permits; and
- (k) no alteration to the constitution of L&M Energy or any other member of the L&M Energy Group has been, or will be, made.

4.3 The Offer, and any contract arising from it, is further conditional on the Board providing its written agreement to the transfer of all of the Options issued under the Employee Share Option Plans such that all these Options can be transferred by the relevant Optionholder to New Dawn Energy upon acceptance of the Offer by the relevant Optionholder.

4.4 The Offer, and any contract arising from it, is further conditional on:

- (a) L&M Energy and each other member of the L&M Energy Group obtaining all consents required under the Crown Minerals Act in relation to it creating any interest in, or transferring or otherwise dealing with, directly or indirectly, or being deemed or considered by any government authority or the Minister of Energy, for the purposes of the Crown Minerals Act, to create any interest in, or otherwise transfer or deal with, directly or indirectly, any rights, title and interest in any permits, licences or authorisations (including any Petroleum Exploration Permit, Coal Prospecting Permit and any applications for any permits, licences or authorisations) as a result of, or in relation to or connection with, the Offer, any such consent(s) being granted on terms which are usual for the granting of such consent(s); and
- (b) the rights, title and interest of L&M Energy and each other member of the L&M Energy Group in any permits, licences or authorisations (including any Petroleum Exploration Permit, Coal Prospecting Permit and any applications for any permits, licences or authorisations) not being revoked, or threatened to be revoked, by any government authority or the Minister of Energy under the Crown Minerals Act as a result of, or in relation to or connection with, the Offer.

4.5 Each of the conditions set out in clauses 4.1 to 4.4 is a separate condition, and acceptance of the Offer by each Acceptor shall constitute a contract between that Acceptor and New Dawn Energy, subject to those conditions. The Offer will only proceed if all conditions in clauses 4.1 to 4.4 are satisfied or waived, if capable of waiver, waived in accordance with clause 4.6.

4.6 The conditions set out in clauses 4.1 to 4.4 have been inserted for the benefit of New Dawn Energy and may, to the extent they are capable of being waived and to the extent permitted under the Takeovers Code, be waived in whole or in part by New Dawn Energy at its absolute discretion. Any waiver or consent given by New Dawn Energy in respect of any matter or thing shall apply only in accordance with its terms and shall not constitute a consent or waiver in respect of any similar matter or thing.

4.7 Where any condition set out in clauses 4.1 to 4.4 requires a determination as to whether a matter is or could reasonably be expected to have material adverse effect or not, is unusual or abnormal or not, is normal or not, is in the normal and ordinary course of business or not, is consistent or not, is of a formal or technical nature or not, is on substantially the same terms or not, is significant or not, is bona fide or not, or any similar determination is required in relation to any such condition, before the condition may be invoked, such determination must be made by

a suitably qualified expert jointly appointed by New Dawn Energy and the independent directors of L&M Energy, in any case who is not an associate of New Dawn Energy, prior to New Dawn Energy being able to invoke the condition.

- 4.8 For the duration of the Offer, except where New Dawn Energy will waive any condition set out in clauses 4.1 to 4.4, Mr Geoff Loudon and Mr Greg Hogan intend to abstain from voting on any matter (a **Relevant Matter**) in their capacity as directors of L&M Energy or any other member of the L&M Energy Group, that may cause a condition set out in clauses 4.1 to 4.4 not to be satisfied or fulfilled, as the case may be, so as to ensure that there is no prospect of the fulfilment of any condition set out in clauses 4.1 to 4.4 being in the power, or under the control, of New Dawn Energy or an “associate” of New Dawn Energy (as that term is defined in the Takeovers Code). However, where New Dawn Energy will or has waived the satisfaction or fulfilment of a condition set out in clauses 4.1 to 4.4 in respect of a particular Relevant Matter, Mr Geoff Loudon and Mr Greg Hogan do not intend to abstain from voting on that Relevant Matter.
- 4.9 Immediately following all of the conditions set out in clauses 4.1 to 4.4 being satisfied or waived (to the extent capable of being waived) in accordance with the terms of the Offer, New Dawn Energy will:
- (a) declare the Offer unconditional; and
 - (b) provide written notice that the Offer is unconditional to L&M Energy, the Takeovers Panel, NZX and ASX (the **Completion Notice**).
- 4.10 The latest date on which New Dawn Energy can declare the Offer to have become unconditional is **[30 days after the end of the Offer Period]**, but this date may change if the Offer Period is extended as permitted by the Takeovers Code and this Offer Document (provided the latest date on which New Dawn Energy can declare the Offer to become unconditional may be no later than **[date being 104 days after date of the Offer]**). If the Offer does not become unconditional, it will lapse and all Acceptance Forms received by New Dawn Energy will be destroyed.

5. Changes in circumstances

- 5.1 If, on or after the Notice Date, L&M Energy declares or pays any dividend or makes any other distribution to the Shareholders (and the condition contained in clause 4.2(a) is waived by New Dawn Energy), each Shareholder accepting the Offer will be bound to pay to New Dawn Energy in respect of each Share the subject of the acceptance an amount per Share equivalent to the relevant dividend or the value of the relevant distribution or, at the option of New Dawn Energy, the consideration per Share which would otherwise have been paid to each such Shareholder shall be reduced by an amount equivalent to the per Share amount of the relevant dividend or the value of the relevant distribution.
- 5.2 If, on or after the Notice Date, L&M Energy makes any issue of shares or convertible securities or other securities or grants any other rights or interests in respect of the Shares to its shareholders by way of bonus issue (and the condition contained in clause 4.2(b) is waived by New Dawn Energy), each Shareholder accepting the Offer will be bound to transfer all such shares, convertible securities, other securities or other rights and interests issued or granted to such Acceptor to New Dawn Energy and the consideration per Share or Option provided for under clause 2 will be reduced to take account of such issue

- 5.3 If, on or after the Notice Date, all or any of the Shares or Options are consolidated or subdivided (and the condition contained in clause 4.2(b) is waived by New Dawn Energy), the Offer will be interpreted to take into account such consolidation or subdivision and the consideration per Share or Option (as applicable) provided for under clause 2 will be increased or reduced, as the case may require, in proportion to such consolidation or subdivision, and the Shareholders and the Optionholders accepting the Offer will be bound to transfer such consolidated or subdivided Shares and/or Options to New Dawn Energy on the basis of the consideration so increased or reduced.
- 5.4 If, on or after the Notice Date, L&M Energy makes any issue of shares to any person other than by way of bonus issue (and the condition contained in clause 4.2(b) is waived by New Dawn Energy), then the Offer will be deemed to extend to and include such shares and the consideration payable for them will be as provided for under clause 2.

6. Notices

- 6.1 Notice to L&M Energy, the Takeovers Panel, ASX and NZX:
- (a) declaring the Offer unconditional; or
 - (b) advising that the Offer is withdrawn in accordance with the Takeovers Code or has lapsed in accordance with its terms,
- in each case, will be deemed to be notice to all Shareholders and Optionholders and will be deemed to be given on the day of notification to NZX.
- 6.2 Notice of any variation of the Offer will be sent to each Shareholder, Optionholder, L&M Energy, the Takeovers Panel, NZX and ASX in accordance with the Takeovers Code unless (and to the extent that) such notice is not required to be given under the Takeovers Code.

7. Method of settlement

- 7.1 No acknowledgement of the receipt of acceptances of the Offer will be issued.
- 7.2 If you accept the Offer and the Offer is declared unconditional by New Dawn Energy, then depending on your election as to the method of payment, either a cheque for the cash amount payable to you will be posted to you by mail at the address contained in the relevant Acceptance Form or the cash amount will be electronically transferred to your bank account identified in the relevant Acceptance Form in cleared funds, by the date specified in clause 2.3. You should review the information in the Acceptance Form(s) in relation to receiving the consideration by each payment method. Shareholders who hold their Shares in a CHESS holding will receive their consideration by cheque only.
- 7.3 If the Offer does not become unconditional, the Offer will lapse.
- 7.4 By accepting the Offer you will be deemed to:
- (a) represent and warrant to New Dawn Energy that:
 - (i) title to each of your Shares and/or Options (and to all other securities referred to in clauses 5.1 to 5.4) will be transferred to New Dawn Energy free of all charges, liens, mortgages, encumbrances and adverse interests and claims of any kind, but together with all rights attaching to them, including the right to all dividends and other distributions arising after or by reference to a date occurring on or after the Notice Date; and

- (ii) you have full power and capacity to sell and transfer your Shares and/or Options (and all other securities referred to in clauses 5.1 to 5.4);
- (b) authorise New Dawn Energy to advise L&M Energy and/or its share registrar of the details of your acceptance of the Offer and to note the L&M Energy share register of that acceptance; and
- (c) authorise New Dawn Energy to effect any rectification of any Acceptance Form in the manner contemplated in clause 3.5.

7.5 Subject to clause 3.8, each Acceptor:

- (a) will not, and will not attempt to, sell, transfer, dispose of (or agree to do any of those things), any or all of the Shares and/or Options in respect of which the Acceptor has accepted the Offer; and
- (b) irrevocably authorises New Dawn Energy to instruct L&M Energy to register any transfer of any or all of the Shares and/or Options in respect of which the Acceptor has accepted the Offer.

7.6 All cheques, electronic funds transfers, Acceptance Forms, Withdrawal Forms and other documents to be delivered, sent by or transferred to a holder of Shares and/or Options will be delivered, sent by or transferred to that holder at that holder's own risk.

8. Miscellaneous

8.1 The following terms have the following meanings when used in this Offer Document (including the Appendix) unless the context otherwise requires:

AEST means Australian Eastern Standard Time;

AUD\$ means Australian dollars, being the lawful currency of Australia;

Acceptance means the acceptance of the Offer;

Acceptance Form means:

- (a) with respect to the Offer for Shares, the acceptance form relating to Shares; and
- (b) with respect to the Offer for Options, the acceptance form relating to Options,

that, in each case, form part of this Offer Document;

Acceptor means a Shareholder or an Optionholder who accepts the Offer in accordance with clause 3;

ASX means ASX Limited or the Australian Securities Exchange operated by ASX Limited (as the context requires);

Board means the board of directors of L&M Energy;

Broker has the meaning given to that term in clause 3.12;

CHESS means the Clearing House Electronic Subregister System administered by ASX Settlement Pty Limited;

Closing Time means 7.00p.m. (NZ time) (5.00p.m. AEST) on *[date 30 days after the date of the Offer]* or such date as extended in accordance with this Offer Document and the Takeovers Code;

Coal Prospecting Permit means an exploration or prospecting permit for coal granted under the Crown Minerals Act;

Competing Offer has the meaning given to that term in clause 3.8;

Completion Notice means a notice given by New Dawn Energy under clause 4.9 declaring the Offer unconditional;

Consideration Options means the options issued on or around February 2010 in connection with L&M Energy acquiring all of the issued shares in L&M Coal Seam Gas Limited;

Controlling Participant means an entity admitted to participate in CHESS under the operating rules of ASX Settlement Pty Limited;

Crown Minerals Act means the Crown Minerals Act 1991, including any amendment thereto;

Despatch Notice has the meaning given to that term in clause 3.8;

Employee Share Option Plans means the share option plans established for certain directors and employees of L&M Energy as described in Part A of the table in clause 2.2;

Equity Security means any interest in or right to a share in, or in the share capital of, L&M Energy (whether carrying voting rights or not), including an option or right to acquire any such interest or right unless that option or right is exercisable only with the agreement of the issuer, but excluding redeemable securities that are redeemable only for cash. For the avoidance of doubt, the Shares and Options are Equity Securities;

Lock-Up Agreement means a lock-up agreement between New Dawn Energy and a Locked-Up Shareholder;

Locked-Up Shareholders has the meaning given to that term in paragraph 8 of Appendix 1;

L&M Energy means L&M Energy Limited;

L&M Energy Group has the meaning given to that term in clause 4.2(a);

Northington Partners has the meaning given to that term in paragraph 16 of Appendix 1;

Notice Date means 22 October 2012, being the date on which New Dawn Energy served or caused to be served on L&M Energy a notice in writing pursuant to rule 41 of the Takeovers Code;

NZD\$ means New Zealand dollars, being the lawful currency of New Zealand;

NZSX means the main board equity security market operated by NZX;

NZX means the New Zealand Exchange Limited;

NZX Participant Rules means the NZX Participant Rules dated 6 August 2010 (as amended);

Offer means the offer for all of the Shares, and all of the Options, not already held by New Dawn Energy as set out in this Offer Document;

Offer Document means this offer document dated [●] (including Appendix 1), the Acceptance Forms and the Withdrawal Forms;

Offer Period means the period beginning on the date of the Offer and ending at the Closing Time;

Option means an option to acquire a fully paid ordinary share of L&M Energy (and **Options** has a corresponding meaning);

Optionholder means a holder of Options;

Petroleum Exploration Permit means an exploration or prospecting permit for petroleum granted under the Crown Minerals Act;

Procurement Fee has the meaning given to that term in clause 3.12;

Relevant Matter has the meaning given to that term in clause 4.8;

Shareholder means a holder of Shares;

Shares means the fully paid ordinary shares of L&M Energy;

subsidiary has the same meaning as in section 5(1) of the Companies Act 1993, provided that a reference to "company" in that section shall refer to any company notwithstanding the jurisdiction of incorporation of the relevant company;

Takeover Notice means the notice of intention to make the Offer given by New Dawn Energy to L&M Energy on the Notice Date;

Takeovers Code means the takeovers code recorded in the Takeovers Code Approval Order 2000 (SR 2000/210);

Takeovers Panel means the takeovers panel established by the Takeovers Act 1993; and

Withdrawal Notice means the notice of withdrawal of acceptance that is enclosed with and forms part of this Offer Document that may be used by a Shareholder or Optionholder to withdraw their Acceptance in accordance with clause 3.8.

8.2 In this Offer Document:

- (a) except if expressly defined in this document, or except where the context requires otherwise, terms defined in the Takeovers Code shall have the same meaning in this Offer Document;
- (b) a reference to the Takeovers Code includes any applicable exemption notices issued pursuant to the Takeovers Act 1993;
- (c) the Offer and any contract arising from it shall be governed by and construed in accordance with the laws of New Zealand;
- (d) all references to statutes are references to New Zealand legislation (unless otherwise stated);
- (e) all times referred to in the Offer are New Zealand times (unless otherwise stated);
- (f) the singular includes the plural and vice versa unless the context otherwise requires;

- (g) headings are for convenience only and do not affect the interpretation of the Offer or any Acceptance Form or Withdrawal Notice;
- (h) the provisions set out in the Acceptance Forms and the Withdrawal Notices form part of the Offer; and
- (i) where the consideration payable to an Acceptor results in a fractional number of cents, the consideration shall be rounded to the nearest whole number of cents.

8.3 If there is an inconsistency between the terms and conditions of the Offer and the provisions of the Takeovers Act 1993 or the Takeovers Code, the provisions of the Takeovers Act 1993 or the Takeovers Code (as the case may be) will prevail.

APPENDIX 1: INFORMATION REQUIRED BY SCHEDULE 1 TO THE TAKEOVERS CODE

The information required by Schedule 1 to the Takeovers Code, to the extent not stated elsewhere in this Offer Document, is set out below:

1. Date

The Offer is dated [●].

2. Offeror and its directors

New Dawn Energy Limited
PO Box 36797
Merivale
Christchurch 8146

Directors of New Dawn Energy Limited:

Mr Archibald Geoffrey Loudon
Mr Gregory Ross Hogan

3. Target Company

L&M Energy Limited

4. Advice Statement

The advice statement required under clause 4 of Schedule 1 to the Takeovers Code is set out on the cover page of this Offer Document.

5. Offer terms

The terms and conditions of the Offer are set out on pages 8 to 20 of this Offer Document.

6. Ownership of Equity Securities

The table below sets out the number, designation and percentage of Equity Securities of any class held by:

- (a) New Dawn Energy as the offeror;
- (b) any related company of New Dawn Energy;
- (c) any person acting jointly or in concert with New Dawn Energy;
- (d) any director of any of the persons described in paragraphs 6(a) to (c) of this Appendix 1;
and
- (e) any other person holding or controlling 5% or more of the class, to the knowledge of New Dawn Energy.

Name	Description	Number of Equity Securities held or controlled	Type of Equity Security	Percentage of class
Campania Holding Inc.	Person holding or controlling more than 5% of the Shares	173,000,000	Shares	22.93%
Mr Archibald Geoffrey Loudon	Person holding or controlling more than 5% of the Shares Director of New Dawn Energy Person acting jointly or in concert with New Dawn Energy	173,000,000	Shares	22.93%
Mr Archibald Geoffrey Loudon	Person holding or controlling more than 5% of the Shares Director of New Dawn Energy Person acting jointly or in concert with New Dawn Energy	375,000	Employee Share Options (Tranche 2)	20.00%
		375,000	Employee Share Options (Tranche 5)	20.00%
		675,000	Employee Share Options (Tranche 8)	21.26%
		2,250,000	Employee Share Options (Tranche 10)	20.00%
		2,250,000	Employee Share Options (Tranche 13)	20.00%
Tangent International Limited	Person holding or controlling more than 5% of the Shares	173,000,000	Shares	22.93%
JP Morgan Nominees Australia Limited	Person holding or controlling more than 5% of the Shares	41,000,000	Shares	5.43%
Mr Gregory Ross Hogan	Director of New Dawn Energy Person acting jointly or in concert with New Dawn Energy	22,070,000	Shares	2.93%
Mr Gregory Ross Hogan	Director of New Dawn Energy Person acting jointly or in concert with New Dawn Energy	250,000	Employee Share Options (Tranche 2)	13.33%
		250,000	Employee Share Options (Tranche 5)	13.33%
		450,000	Employee Share Options (Tranche 8)	14.17%
		1,500,000	Employee Share Options (Tranche 10)	13.33%
		1,500,000	Employee Share Options (Tranche 13)	13.33%

Except as disclosed in the table above, no other person of the kind referred to in paragraphs 6(a) to (d) of this Appendix 1 holds or controls Equity Securities.

7. Trading in Equity Securities

The following persons, referred to in paragraphs 6(a) to (d) of this Appendix 1, have acquired or disposed of Equity Securities during the six-month period before the date of the Offer:

Name	Description	Number of Equity Securities held or controlled	Type of Equity Security	Percentage of class
Mr Archibald Geoffrey Loudon	Person holding or controlling more than 5% of the Shares Director of New Dawn Energy Person acting jointly or in concert with New Dawn Energy	2,250,000	Employee Share Options (Tranche 13)	20.00%
Mr Gregory Ross Hogan	Director of New Dawn Energy Person acting jointly or in concert with New Dawn Energy	1,500,000	Employee Share Options (Tranche 13)	13.33%

The total number of Equity Securities acquired by New Dawn Energy during the six-month period before the date of this Offer Document was zero. New Dawn Energy holds no Equity Securities as at the date of this Offer Document.

8. Agreements to accept the Offer

On 22 October 2012, New Dawn Energy and each of Campania Holding Inc., Tangent International Limited, Archibald Geoffrey Loudon and Gregory Ross Hogan (together the **Locked-Up Shareholders** and each a **Locked-Up Shareholder**) entered into Lock-Up Agreements under which the Locked-Up Shareholders have agreed to accept the Offer for all of their Shares and Options (as the case may be) (subject to the terms of the Lock-Up Agreement). The Locked-Up Shareholders hold 541,070,000 Shares (representing 71.72% of the Shares).

The material terms of the Lock-Up Agreement are:

- (a) New Dawn Energy agrees that it will send a notice of takeover relating to the Offer in accordance with rule 41 of the Takeovers Code to L&M Energy within two business days after the date of the Lock-Up Agreement;
- (b) New Dawn Energy agrees to send the Offer to L&M Energy shareholders no earlier than 28 days after sending the Takeover Notice to L&M Energy (but in any event on or before the date which is 30 days after sending the Takeover Notice to L&M Energy);
- (c) New Dawn Energy agrees that the Offer will:
 - (i) be made at a price of not less than AUD\$0.06 per Share and AUD\$0.0000 to AUD\$0.0599 per Option; and
 - (ii) be subject to New Dawn Energy receiving acceptances under the Offer in respect of Shares that confer more than 90% of the voting rights in L&M Energy, and will also be subject to the other conditions set out in clauses 4.1 to 4.4 of this Offer Document;
- (d) each Locked-Up Shareholder agrees to accept the Offer with respect to its Shares and Options (as the case may be) within seven days after the date of despatch of this Offer Document to L&M Energy's shareholders; and

- (e) each Locked-Up Shareholder agrees that, unless:
- (i) the Lock-Up Agreement is terminated; or
 - (ii) the Offer lapses; or
 - (iii) it has exercised its right to withdraw its acceptance of the Offer (which right to withdraw is subject to the same terms and conditions as set out in clause 3.8 of the Terms and Conditions of the Offer),

it will not dispose of, or deal in any way with (including granting an interest in or encumbering) any of its Shares, except to accept the Offer.

9. Arrangements to pay consideration

New Dawn Energy confirms that resources will be available to it sufficient to meet the consideration to be provided on full acceptance of the Offer and to pay any debts incurred in connection with the Offer (including debts arising under rule 49 of the Takeovers Code).

A statement setting out the rights of each offeree under rule 34 of the Takeovers Code to withdraw acceptances for non-payment by New Dawn Energy of the consideration is set out in clause 2.5 of the Terms and Conditions of the Offer.

10. Arrangements between New Dawn Energy and L&M Energy

No agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between New Dawn Energy or any associates of New Dawn Energy, and L&M Energy or any related company of L&M Energy, in connection with, in anticipation of, or in response to, the Offer, other than a confidentiality agreement dated 10 September 2012 between L&M Energy and Archibald Geoffrey Loudon under which Mr Loudon agreed to keep confidential certain information disclosed to him by L&M Energy.

Although not an agreement or arrangement in connection with the Offer, for completeness, Mr Geoff Loudon has agreed to provide L&M Energy with a letter of support in relation to the 2012 Block Offer. The purpose of this letter is so that L&M Energy can, as part of any application in relation to the 2012 Block Offer, provide evidence of access to sufficient funding for its work programme obligations.

11. Arrangements between New Dawn Energy, and directors and officers of L&M Energy

Other than as described below, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between New Dawn Energy or any associates of New Dawn Energy, and any of the directors or senior officers of L&M Energy or of any related company of L&M Energy (including any payment or other benefit proposed to be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office) in connection with, in anticipation of, or in response to, the Offer.

On 22 October 2012, New Dawn Energy and Archibald Geoffrey Loudon entered into a Lock-Up Agreement under which Mr Loudon agreed to accept the Offer for his Shares and Options (subject to the terms of the Lock-Up Agreement).

On 22 October 2012, New Dawn Energy and Gregory Ross Hogan entered into a Lock-Up Agreement under which Mr Hogan agreed to accept the Offer for his Shares and Options (subject to the terms of the Lock-Up Agreement).

12. Financial assistance

No agreement or arrangement has been made, or is proposed to be made, under which L&M Energy or any related company of L&M Energy will give (directly or indirectly) financial assistance for the purpose of, or in connection with, the Offer. If New Dawn Energy acquires 90% or more of the voting securities in L&M Energy, New Dawn Energy may cause L&M Energy and the members of the L&M Energy Group to provide guarantees and/or securities over their assets to secure New Dawn Energy's ongoing obligations to its lenders.

13. Likelihood of changes in L&M Energy

If New Dawn Energy declares the Offer unconditional, it intends for L&M Energy to operate substantially as it has been operated to date.

If New Dawn Energy becomes entitled to invoke the compulsory acquisition provisions of the Takeovers Code, it will move to compulsorily acquire all outstanding Equity Securities, and delist L&M Energy from the NZSX and ASX.

Although the foregoing represents New Dawn Energy's current intentions in relation to L&M Energy's business, New Dawn Energy reserves the right to take any other action or pursue any other strategy in relation to L&M Energy's business as New Dawn Energy obtains input from L&M Energy's management on those plans and depending on the business and economic environment and any relevant circumstances post-acquisition.

14. Pre-emption clauses in L&M Energy's constitution

There is no restriction on the right to transfer Equity Securities to which the Offer relates contained in the constitution of L&M Energy which has the effect of requiring the holders of the Equity Securities to offer the Equity Securities for purchase to Shareholders or to any other person before transferring the Equity Securities.

There are restrictions on the right to transfer the Options issued under the Employee Share Option Plans. As set out in clause 4.3 of the Offer Terms and Conditions, the Offer, and any contract arising from it, is further conditional on the Board providing its written agreement to the transfer of all of the Options issued under the Employee Share Option Plans such that all these Options can be transferred by the relevant Optionholder to New Dawn Energy upon acceptance of the Offer by the relevant Optionholder.

There are restrictions on the right to transfer the Consideration Options which are subject to deferred vesting terms.

15. No escalation clause

There is no agreement or arrangement (whether legally enforceable or not) under which:

- (a) any existing holder of Equity Securities will or may receive in relation to, or as a consequence of, the Offer any additional consideration or other benefit over and above the consideration set out in the Offer; or
- (b) any prior holder of Equity Securities will or may receive any consideration or other benefit as a consequence of the Offer.

16. Independent Adviser's Report

The consideration and terms offered for each class of Equity Securities have been calculated to be fair and reasonable in compliance with rule 8(4) of the Takeovers Code in the following manner:

Northington Partners Limited (**Northington Partners**) has been appointed as an independent adviser for the purposes of verifying that, in its opinion, the consideration and the terms offered for each class of Equity Securities are fair and reasonable in relation to the other classes of Equity Securities. A copy of Northington Partners' full report accompanies this Offer Document. The Offer should be read in conjunction with Northington Partners' report and with the report obtained by L&M Energy on the merits of the Offer.

17. Certificate

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying the Takeover Notice is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by New Dawn Energy under the Takeovers Code.

Signed by the persons named below or their respective agents authorised in writing.



Mr Archibald Geoffrey Loudon
Director and person filling the role of
Chief Executive Officer for the
purposes of the Takeovers Code



Mr Gregory Ross Hogan
Director and person filling the role of
Chief Financial Officer for the
purposes of the Takeovers Code

ACCEPTANCE FORM - SHARES

NEW DAWN ENERGY LIMITED

FULL CASH TAKEOVER OFFER FOR ALL SHARES AND OPTIONS IN
L&M ENERGY LIMITED

Broker Stamp

SHAREHOLDER (TRANSFEROR)

SECURITYHOLDER DETAILS

Sub register

Number of Shares held as at [Record Date]

Total consideration (at AU\$0.06 per Share)

Holder Number or CSN

ACCEPTANCE OF THE OFFER:

By signing this form the Transferor hereby:

- (a) irrevocably:
 - (i) accepts the offer of New Dawn Energy Limited (the Transferee) dated [●] (the Offer) for the number of Shares set out in the box above, together with all other Shares issued to, or acquired by, the Transferor and currently held by the Transferor; and
 - (ii) agrees to transfer all those Shares to the Transferee, subject to the terms and conditions of the Offer;
- (b) appoints the Transferee as the Transferor's attorney; and
- (c) undertakes and warrants as set out in clause 7.4 of this Offer Document.

METHOD OF PAYMENT

If the Transferor provides details of an Australian dollar bank account with a registered bank in Australia or New Zealand, payment will be made by electronic transfer directly into this bank account. If the Transferor does not provide details of an Australian dollar bank account with a registered bank in Australia or New Zealand, payment will be made by cheque. Please select a Method of Payment by ticking the appropriate box below. Note that all payments will be made in Australian dollars. All CHESSE holders who accept the Offer will be paid by AUD cheque.

Method of Payment (please tick one):

AUD CHEQUE
 AUD ELECTRONIC TRANSFER TO AN AUSTRALIAN DOLLAR BANK ACCOUNT (IN AUSTRALIA OR NEW ZEALAND ONLY)

Note: If you do not select a Method of Payment, or the details that you provide are not sufficient to effect an electronic transfer, you will be paid by cheque.

Electronic Transfer Details: Please complete the details below if you wish to be paid by electronic transfer:

Australian Bank Account:

Account Name: _____

BSB Number:
 Account Number:

New Zealand Bank Account (Australian dollars):

Account Name: _____

Bank Name: _____

Bank Address: _____

Swift Code/Sort Code/BSB Code: _____

Branch: _____

Other Information: _____

By signing this form, the Transferor hereby enters into a power of attorney in favour of the Transferee as follows:

As from the time of the Offer being declared unconditional in accordance with this Offer Document, I/we irrevocably authorise and appoint the Transferee (with power of substitution by the Transferee in favour of such person(s) as the Transferee may appoint to act on its behalf) as my/our attorney and agent to act for me/us and to do all matters of any kind or nature whatsoever in respect of or pertaining to the Shares referred to above and all rights and benefits attaching to them as the Transferee may think proper and expedient and which I/we could lawfully do or cause to be done if personally acting, including the transfer of the Shares to any person or persons whatsoever, the appointment of a proxy or proxies for any meeting of the shareholders of L&M Energy Limited, attendance in person at, and voting at, such meeting, application to any court whatsoever and execution of all documents in my/our name(s) which the Transferee may consider necessary for all or any of the foregoing purposes.

FOR AN INDIVIDUAL OR JOINT HOLDERS / ATTORNEY	FOR A COMPANY / BODY CORPORATE
<p>Signed by the Transferor(s):</p> <p>_____</p> <p>Signature</p> <p>_____</p> <p>Signature</p> <p>Dated and executed the _____ day of _____ 20__</p>	<p>Signed by the Transferor(s) by:</p> <p>_____</p> <p>Director</p> <p>_____</p> <p>Director/ Duly Authorised Person</p> <p>Dated and executed the _____ day of _____ 20__</p>

NOTES AND INSTRUCTIONS FOR COMPLETION

- 1. TO ACCEPT THE OFFER:** Complete and sign this form where marked "Signed by the Transferor(s)". Companies must sign in accordance with the Companies Act 1993, their constitution (if any) and/or any other applicable legislation.
- 2. METHOD OF PAYMENT:** You should select a Method of Payment. If you do not, or if you do not provide sufficient details to enable an electronic transfer, you will be paid by an Australian dollar cheque. Transferors with an Australian dollar bank account with a registered bank in Australia or New Zealand should take particular care to provide all information that is required to make an electronic transfer to them. If they do not, payment will be made by cheque, and neither the Transferor nor Computershare Investor Services Limited or Computershare Investor Services Pty Limited has any responsibility to verify any such details.
If payment is made by electronic transfer, the Transferor's bank may charge fees in relation to receiving the funds the subject of the transfer. If payment is made by cheque, the Transferor's bank may charge fees in relation to the presentation and clearing of the cheque. Once deposited into your bank account, these funds may not be readily available until such time as your bank clears the funds. All CHESSE holders who accept the offer will be paid by AUD cheque.
- 3. JOINT HOLDERS:** If your Shares are registered in the names of joint holders, all holders must sign the form.
- 4. SHARES HELD BY NOMINEES:** If your Shares are held through a nominee, advise your nominee that you wish to sell all your Shares and instruct your nominee to complete accordingly, sign and return this Acceptance Form to the Transferee in accordance with the instructions contained in this Acceptance Form.
- 5. CHESSE HOLDING:** If your Shares are in a CHESSE holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, you will need to sign and return this Acceptance Form to your Controlling Participant. If you want the Transferee to contact your Controlling Participant on your behalf, sign and return this form to the address below so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise the Transferee to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf. If you sign and return this Acceptance Form, you warrant to the Transferee (and authorise the Transferee to warrant on your behalf) that you have full legal and beneficial ownership of the Shares to which this Acceptance Form relates and that the Transferee will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.
Neither the Transferee nor Computershare Investor Services Pty Limited or Computershare Investor Services Limited will be responsible for any delays incurred by this process. You should allow sufficient time for your Controlling Participant or the Transferee to initiate the acceptance of the Offer on your behalf.
This Acceptance Form must be received by Computershare Investor Services Limited or Computershare Investor Services Pty Limited in sufficient time to allow your instruction to be acted upon by 7.00p.m. (NZ time) (5.00p.m. Australian Eastern Standard Time) on the closing date for the Offer (which is, at the date of the Offer, [date 30 days after the date of the Offer]), but which may be extended under this Offer Document and the Takeovers Code).
- 6. POWER OF ATTORNEY:** If this Acceptance Form is signed under a power of attorney, the relevant power of attorney must be submitted with this Acceptance Form for noting and return, and the certificate printed below must be completed. Where such power of attorney has already been noted by Computershare Investor Services Limited or Computershare Investor Services Pty Limited, then this fact must be stated under the signature of the attorney.
- 7. ON COMPLETION:** Post this signed Acceptance Form in the enclosed reply-paid envelope to the Transferee at one of the addresses below, email this signed Acceptance Form to the email address provided or fax this signed Acceptance Form to the number provided, as soon as possible, but in any event so as to be received not later than 7.00p.m. (NZ time) (5.00p.m. Australian Eastern Standard Time) on the closing date for the Offer (which is, at the date of the Offer, [date 30 days after the date of the Offer]), but which may be extended under this Offer Document and the Takeovers Code).

New Dawn Energy Limited
c/- Computershare Investor Services Limited
Private Bag 92119, Auckland 1142, New Zealand
Facsimile: +64 9 488 8787
Email: corporateactions@computershare.co.nz

or

New Dawn Energy Limited
c/- Computershare Investor Services Pty Limited
GPO Box 52, Melbourne, Victoria 3001, Australia

Telephone within New Zealand: (09) 488 8777
Telephone outside New Zealand: +64 9 488 8777

- 8. PREVIOUS SALE:** If you have sold all of your Shares, please pass this Acceptance Form together with this Offer Document to your sharebroker or the purchaser(s) of these Shares. If you have sold part of your shareholding, record that fact on this Acceptance Form by amending the number of Shares noted as being held by you on the face of this Acceptance Form.
- 9. SALE OF ALL OF HOLDING ONLY:** If you wish to accept the Offer, it must be for your entire holding of Shares.
- 10. WITHDRAWAL RIGHTS:** The Offer includes a withdrawal right for Shareholders. Please refer to clauses 3.8 and 3.9 of this Offer Document and the enclosed Withdrawal Notice.
- 11. INTERPRETATION:** In this Acceptance Form, references to the Transferor in the singular shall include the plural.

IF THIS ACCEPTANCE FORM IS SIGNED UNDER POWER OF ATTORNEY, THE ATTORNEY(S) SIGNING MUST SIGN THE FOLLOWING CERTIFICATE:

CERTIFICATE OF NON-REVOCAION OF POWER OF ATTORNEY

I/WE _____ (insert name of attorney signing)

of _____ (Address and Occupation of attorney signing)

HEREBY CERTIFY:

- THAT by a Power of Attorney dated the _____ day of _____, the Transferor named and described on the face of this form (Donor) appointed me his/her/its/their attorney on the terms and conditions set out in that Power of Attorney.
- THAT I/we have executed the form printed on the face of this document as attorney under that Power of Attorney and pursuant to the powers thereby conferred upon me/us.
- THAT at the date hereof I/we have not received any notice or information of the revocation of that Power of Attorney by the death (or winding up) of the Donor or otherwise.

Signed at _____ this _____ day of _____ 20_____

Signature(s) of Attorney(s)

Note: Your signature does not require witnessing.

ACCEPTANCE FORM - OPTIONS
NEW DAWN ENERGY LIMITED
FULL CASH TAKEOVER OFFER FOR ALL SHARES AND OPTIONS IN
L&M ENERGY LIMITED

Broker Stamp

OPTIONHOLDER (TRANSFEROR)

SECURITYHOLDER DETAILS

Number and class of Options held as at [Record Date]

Total consideration for all Options

ACCEPTANCE OF THE OFFER:

By signing this form the Transferor hereby:

- (a) irrevocably:
 - (i) accepts the offer of New Dawn Energy Limited (the Transferee) dated [●] (the Offer) for the number of Options set out in the box above, together with all other Options issued to, or acquired by, the Transferor and currently held by the Transferor; and
 - (ii) agrees to transfer all those Options to the Transferee, subject to the terms and conditions of the Offer;
- (b) appoints the Transferee as the Transferor's attorney; and
- (c) undertakes and warrants as set out in clause 7.4 of this Offer Document.

METHOD OF PAYMENT

If the Transferor provides details of an Australian dollar bank account with a registered bank in Australia or New Zealand, payment will be made either by cheque or by electronic transfer directly into this bank account. If the Transferor does not provide details of an Australian dollar bank account with a registered bank in Australia or New Zealand, payment will be made by cheque. Please select a Method of Payment by ticking the appropriate box below. Note that all payments will be made in Australian dollars.

Method of Payment (please tick one):

AUD CHEQUE AUD ELECTRONIC TRANSFER TO AN AUSTRALIAN DOLLAR BANK ACCOUNT (IN AUSTRALIA OR NEW ZEALAND ONLY)

Note: If you do not select a Method of Payment, or the details that you provide are not sufficient to effect an electronic transfer, you will be paid by cheque.

Electronic Transfer Details: Please complete the details below if you wish to be paid by electronic transfer:

Australian Bank Account:

Account Name:

BSB Number

Account Number

New Zealand Bank Account (Australian dollars):

Account Name:

Bank Name:

Bank Address:

Swift Code/Sort Code/BSB Code

Branch:

Other Information:

By signing this form, the Transferor hereby enters into a power of attorney in favour of the Transferee as follows:

As from the time of the Offer being declared unconditional in accordance with this Offer Document, I/we irrevocably authorise and appoint the Transferee (with power of substitution by the Transferee in favour of such person(s) as the Transferee may appoint to act on its behalf) as my/our attorney and agent to act for me/us and to do all matters of any kind or nature whatsoever in respect of or pertaining to the Options referred to above and all rights and benefits attaching to them as the Transferee may think proper and expedient and which I/we could lawfully do or cause to be done if personally acting, including the transfer of the Options to any person or persons whatsoever, application to any court whatsoever and execution of all documents in my/our name(s) which the Transferee may consider necessary for all or any of the foregoing purposes.

FOR AN INDIVIDUAL OR JOINT HOLDERS / ATTORNEY	FOR A COMPANY / BODY CORPORATE
<p>Signed by the Transferor(s):</p> <p>_____</p> <p>Signature</p> <p>_____</p> <p>Signature</p> <p>Dated and executed the _____ day of _____ 20__</p>	<p>Signed by the Transferor(s) by:</p> <p>_____</p> <p>Director</p> <p>_____</p> <p>Director/ Duty Authorised Person</p> <p>Dated and executed the _____ day of _____ 20__</p>

NOTES AND INSTRUCTIONS FOR COMPLETION

- 1. TO ACCEPT THE OFFER:** Complete and sign this form where marked "Signed by the Transferor(s)". Companies must sign in accordance with the Companies Act 1993, their Constitution (if any) and/or any other applicable legislation.
- 2. METHOD OF PAYMENT:** You should select a Method of Payment. If you do not, or if you do not provide sufficient details to enable an electronic transfer, you will be paid by an Australian dollar cheque. Transferors with an Australian dollar bank account with a registered bank in Australia or New Zealand should take particular care to provide all information that is required to make an electronic transfer to them. If they do not, payment will be made by cheque, and neither the Transferor nor Computershare Investor Services Limited or Computershare Investor Services Pty Limited has any responsibility to verify any such details.

If payment is made by electronic transfer, the Transferor's bank may charge fees in relation to receiving the funds the subject of the transfer. If payment is made by cheque, the Transferor's bank may charge fees in relation to the presentation and clearing of the cheque. Once deposited into your bank account, these funds may not be readily available until such time as your bank clears the funds.
- 3. JOINT HOLDERS:** If your Options are registered in the names of joint holders, all holders must sign the form.
- 4. OPTIONS HELD BY NOMINEES:** If your Options are held through a nominee, advise your nominee that you wish to sell all your Options and instruct your nominee to complete accordingly, sign and return this Acceptance Form to the Transferee in accordance with the instructions contained in this Acceptance Form.
- 6. POWER OF ATTORNEY:** If this Acceptance Form is signed under a power of attorney, the relevant power of attorney must be submitted with this Acceptance Form for noting and return, and the certificate printed below must be completed. Where such power of attorney has already been noted by Computershare Investor Services Limited or Computershare Investor Services Pty Limited, then this fact must be stated under the signature of the attorney.
- 7. ON COMPLETION:** Post this signed Acceptance Form in the enclosed reply-paid envelope to the Transferee at one of the addresses below, email this signed Acceptance Form to the email address provided or fax this signed Acceptance Form to the number provided, as soon as possible, but in any event so as to be received not later than 7.00P.M. (NZ time (5.00p.m. Australian Eastern Standard Time) on the closing date for the Offer (which is, at the date of the Offer, [date 30 days after the date of the Offer], but which may be extended under this Offer Document and the Takeovers Code).

New Dawn Energy Limited c/- Computershare Investor Services Limited Private Bag 92119, Auckland 1142, New Zealand Facsimile: +64 9 488 8787 Email: corporateactions@computershare.co.nz	or	New Dawn Energy Limited c/- Computershare Investor Services Pty Limited GPO Box 52, Melbourne, Victoria 3001, Australia
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Telephone within New Zealand: (09) 488 8777
Telephone outside New Zealand: +64 9 488 8777
- 8. PREVIOUS SALE:** If you have sold all of your Options, please pass this Acceptance Form together with this Offer Document to your sharebroker or the purchaser(s) of these Options. If you have sold some of your Options, record that fact on this Acceptance Form by amending the number of Options noted as being held by you on the face of this Acceptance Form.
- 9. SALE OF ALL OF HOLDING ONLY:** If you wish to accept the Offer, it must be for your entire holding of Options.
- 10. WITHDRAWAL RIGHTS:** The Offer includes a withdrawal right for Optionholders. Please refer to clauses 3.8 and 3.9 of this Offer Document and the enclosed Withdrawal Notice.
- 11. INTERPRETATION:** In this Acceptance Form, references to the Transferor in the singular shall include the plural.

**IF THIS ACCEPTANCE FORM IS SIGNED UNDER POWER OF ATTORNEY, THE
ATTORNEY(S) SIGNING MUST SIGN THE FOLLOWING CERTIFICATE:**

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I/WE _____ *(insert name of attorney signing)*

of _____ *(Address and Occupation of attorney signing)*

HEREBY CERTIFY:

1. THAT by a Power of Attorney dated the ___ day of _____, the Transferor named and described on the face of this form (Donor) appointed me his/her/its/their attorney on the terms and conditions set out in that Power of Attorney.
2. THAT I/we have executed the form printed on the face of this document as attorney under that Power of Attorney and pursuant to the powers thereby conferred upon me/us.
3. THAT at the date hereof I/we have not received any notice or information of the revocation of that Power of Attorney by the death (or winding up) of the Donor or otherwise.

Signed at _____ this _____ day of _____ 20____

Signature(s) of Attorney(s) _____

Note: Your signature does not require witnessing.

**USE THIS FORM ONLY IF YOU HAVE PREVIOUSLY ACCEPTED THE OFFER BY
NEW DAWN ENERGY LIMITED FOR YOUR SHARES AND NOW WISH TO WITHDRAW YOUR
ACCEPTANCE IN ACCORDANCE WITH CLAUSE 3.9 OF THIS OFFER DOCUMENT**

WITHDRAWAL NOTICE - SHARES
(Use this form if you wish to withdraw your Acceptance)

**NEW DAWN ENERGY LIMITED'S (NEW DAWN ENERGY) FULL OFFER FOR ALL SHARES IN
L&M ENERGY LIMITED (L&M ENERGY) NOT ALREADY HELD BY NEW DAWN ENERGY**

WITHDRAWAL OF ACCEPTANCE

By completing and signing this Withdrawal Notice, the shareholder named below withdraws its Acceptance to the offer dated [●] by New Dawn Energy (Offer) in accordance with clause 3.9 of this Offer Document.

The Shareholder acknowledges that this Withdrawal Notice will only be valid and effective if it is signed and validly completed and actually received by Computershare Investor Services Limited or Computershare Investor Services Pty Limited prior to New Dawn Energy issuing a Completion Notice, and is otherwise provided in accordance with this Offer Document.

SHAREHOLDER DETAILS

Shareholder name

Holder number/CSN

Note: This Withdrawal Notice will be invalid unless the Shareholder name and the holder number / CSN is completed correctly.

SIGNATURE

FOR AN INDIVIDUAL OR JOINT HOLDERS / ATTORNEY	FOR A COMPANY / BODY CORPORATE
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Signed by the Shareholder(s):

Signed by the Shareholder:

Signature

Director

Signature

Director/Duly Authorised Person

Dated and signed the _____ day of _____ 20

NOTES AND INSTRUCTIONS FOR COMPLETION OF THIS WITHDRAWAL NOTICE

- TO WITHDRAW YOUR ACCEPTANCE:** Complete and sign this Withdrawal Notice where marked "Signed by the Shareholder(s)". Companies must sign in accordance with the Companies Act 1993, their Constitution (if any) and any other applicable legislation.
- JOINT HOLDERS:** If the Shares are registered in the names of joint holders, all holders must sign this Withdrawal Notice.
- SHARES HELD BY NOMINEES:** If your Shares are held through a nominee, advise your nominee that you wish to withdraw your Acceptance and instruct your nominee to complete, sign and return this Withdrawal Notice in accordance with the instructions contained in this Withdrawal Notice.
- POWER OF ATTORNEY:** If this Withdrawal Notice is signed under a power of attorney, the relevant power of attorney must be submitted with this Withdrawal Notice for noting and return, and the certificate printed below must be completed. Where such power of attorney has already been noted by Computershare Investor Services Limited or Computershare Investor Services Pty Limited, then this fact must be stated under the signature of the attorney.
- ON COMPLETION:** Post this signed Withdrawal Notice in the enclosed reply-paid envelope to New Dawn Energy at one of the addresses below, email this signed Withdrawal Notice to the email address provided or fax this signed Withdrawal Notice to the number provided:

New Dawn Energy Limited
c/- Computershare Investor Services Limited
Private Bag 92119, Auckland 1142, New Zealand

or

New Dawn Energy Limited
c/- Computershare Investor Services Pty Limited
GPO Box 52, Melbourne, Victoria 3001 Australia

Telephone within New Zealand: (09) 488 8777
Telephone outside New Zealand: +64 9 488 8777
Facsimile: +64 9 488 8787
Email: corporateactions@computershare.co.nz

Shareholders resident outside New Zealand are encouraged to return the Withdrawal Notice by fax or email.

- INTERPRETATION:** In this Withdrawal Notice, references to the Shareholder in the singular shall include the plural.

IF YOU ARE IN ANY DOUBT ABOUT THE PROCEDURE FOR WITHDRAWING YOUR ACCEPTANCE,
PLEASE CALL COMPUTERSHARE INVESTOR ENQUIRIES ON 09 488 8777
(or, if outside New Zealand, +64 9 488 8777)

IF THIS WITHDRAWAL NOTICE IS SIGNED UNDER POWER OF ATTORNEY, THE
ATTORNEY(S) MUST SIGN THE FOLLOWING CERTIFICATE

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I/We _____
(Insert name of Attorney(s) signing)

of _____
(Address and Occupation)

HEREBY CERTIFY:

1. THAT by a power of attorney dated _____ the person named and described on the face of this Withdrawal Notice appointed me/us his/her/their attorney on the terms and conditions set out in that power of attorney.
2. THAT I/We have executed the Withdrawal Notice as attorney under that power of attorney and pursuant to the powers thereby conferred upon me/us which terms authorise me/us to sign this Withdrawal Notice.
3. THAT at the date hereof I/We have not received any notice or information of the revocation of that power of attorney by the death (or winding up) of the person named and described on the face of this Withdrawal Notice or otherwise.

Signed at _____ this _____ day of _____ 20_____

Signature(s) of Attorney(s)

NOTE: Your signature does not require witnessing.

USE THIS FORM ONLY IF YOU HAVE PREVIOUSLY ACCEPTED THE OFFER BY
NEW DAWN ENERGY FOR YOUR OPTIONS AND NOW WISH TO WITHDRAW YOUR
ACCEPTANCE IN ACCORDANCE WITH CLAUSE 3.9 OF THIS OFFER DOCUMENT

WITHDRAWAL NOTICE - OPTIONS
(Use this form if you wish to withdraw your Acceptance)

**NEW DAWN ENERGY LIMITED'S (NEW DAWN ENERGY) FULL OFFER FOR ALL OPTIONS IN
L&M ENERGY LIMITED (L&M ENERGY) NOT ALREADY HELD BY NEW DAWN ENERGY**

WITHDRAWAL OF ACCEPTANCE

By completing and signing this Withdrawal Notice, the Optionholder named below withdraws its Acceptance to the offer dated [●] by New Dawn Energy (Offer) in accordance with clause 3.9 of this Offer Document.

The Optionholder acknowledges that this Withdrawal Notice will only be valid and effective if it is signed and validly completed and actually received by Computershare Investor Services Limited or Computershare Investor Services Pty Limited prior to New Dawn Energy issuing a Completion Notice, and is otherwise provided in accordance with this Offer Document.

OPTIONHOLDER DETAILS

Optionholder name

Option classes held

Note: This Withdrawal Notice will be invalid unless the Optionholder name is completed correctly.

SIGNATURE

FOR AN INDIVIDUAL OR JOINT HOLDERS / ATTORNEY

FOR A COMPANY / BODY CORPORATE

Signed by the Optionholder(s):

Signed by the Optionholder:

Signature

Director

Signature

Director/Duly Authorised Person

Dated and signed the _____ day of _____ 20

NOTES AND INSTRUCTIONS FOR COMPLETION OF THIS WITHDRAWAL NOTICE

- TO WITHDRAW YOUR ACCEPTANCE:** Complete and sign this Withdrawal Notice where marked "Signed by the Optionholder(s)". Companies must sign in accordance with the Companies Act 1993, their Constitution (if any) and any other applicable legislation.
- JOINT HOLDERS:** If the Options are registered in the names of joint holders, all holders must sign this Withdrawal Notice.
- OPTIONS HELD BY NOMINEES:** If your Options are held through a nominee, advise your nominee that you wish to withdraw your Acceptance and instruct your nominee to complete, sign and return this Withdrawal Notice in accordance with the instructions contained in this Withdrawal Notice.
- POWER OF ATTORNEY:** If this Withdrawal Notice is signed under a power of attorney, the relevant power of attorney must be submitted with this Withdrawal Notice for noting and return, and the certificate printed below must be completed. Where such power of attorney has already been noted by Computershare Investor Services Limited or Computershare Investor Services Pty Limited, then this fact must be stated under the signature of the attorney.
- ON COMPLETION:** Post this signed Withdrawal Notice in the enclosed reply-paid envelope to New Dawn Energy at one of the addresses below, email this signed Withdrawal Notice to the email address provided or fax this signed Withdrawal Notice to the number provided:

New Dawn Energy Limited
c/- Computershare Investor Services Limited
Private Bag 92119, Auckland 1142, New Zealand

or

New Dawn Energy Limited
c/- Computershare Investor Services Pty Limited
GPO Box 52, Melbourne, Victoria 3001 Australia

Telephone within New Zealand: (09) 488 8777

Telephone outside New Zealand: +64 9 488 8777

Facsimile: +64 9 488 8787

Email: corporateactions@computershare.co.nz

Optionholders resident outside New Zealand are encouraged to return the Withdrawal Notice by fax or email.

- INTERPRETATION:** In this Withdrawal Notice, references to the Optionholder in the singular shall include the plural.

**IF YOU ARE IN ANY DOUBT ABOUT THE PROCEDURE FOR WITHDRAWING YOUR ACCEPTANCE,
PLEASE CALL COMPUTERSHARE INVESTOR ENQUIRIES ON 09 488 8777
(or, if outside New Zealand, +64 9 488 8777)**

**IF THIS WITHDRAWAL NOTICE IS SIGNED UNDER POWER OF ATTORNEY, THE
ATTORNEY(S) MUST SIGN THE FOLLOWING CERTIFICATE**

CERTIFICATE OF NON-REVOCAION OF POWER OF ATTORNEY

I/We _____
(Insert name of Attorney(s) signing)

of _____
(Address and Occupation)

HEREBY CERTIFY:

1. THAT by a power of attorney dated _____ the person named and described on the face of this Withdrawal Notice appointed me/us his/her/their attorney on the terms and conditions set out in that power of attorney.
2. THAT I/We have executed the Withdrawal Notice as attorney under that power of attorney and pursuant to the powers thereby conferred upon me/us which terms authorise me/us to sign this Withdrawal Notice.
3. THAT at the date hereof I/We have not received any notice or information of the revocation of that power of attorney by the death (or winding up) of the person named and described on the face of this Withdrawal Notice or otherwise.

Signed at _____ this _____ day of _____ 20____

Signature(s) of Attorney(s)

NOTE: Your signature does not require witnessing.