



M M P RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
(Registration No: 200613299H)

BINDING TERM SHEET FOR THE PROPOSED ISSUE OF CONVERTIBLE NOTES DUE 2017 FOR AN AGGREGATE PRINCIPAL AMOUNT OF UP TO S\$600,000

1. INTRODUCTION

The Board of Directors (the "**Board**") of MMP Resources Limited (the "**Company**") and together with its subsidiaries, the "**Group**") is pleased to announce that the Company has signed a binding term sheet on 7 March 2016 with Empire Capital Partners (the "**Lender**") in connection with a convertible loan of S\$600,000 to the Company (the "**Proposed Loan**"). The Proposed Loan has been negotiated to provide the Company with the necessary short and longer term funding to augment its working capital requirements and to roll out micro power plants in South Korea.

The Company proposes to issue to the Lender (or its affiliated person) convertible notes due 2017 (the "**Convertible Notes**") and the Lender proposes to subscribe for the Convertible Notes with a face value of S\$700,000. Subject to the approval of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), if required, the Company shall issue up to 75,000,000 fully paid up shares (the "**Collateral Shares**") in the capital of the Company (the "**Shares**") on the closing date as security for the redemption of the Convertible Notes.

2. TERMS OF THE PROPOSED LOAN

The salient terms of the Proposed Loan are set out in the table below:

Company	MMP Resources Limited
Lender	Empire Capital Partners or its nominee
Investment	On the closing date, the Lender shall lend S\$600,000 to the Company by way of Convertible Notes with a face value of S\$700,000.
Redemption Amount	S\$700,000
Arranger and Settlement Agent	Empire Capital Partners shall be the Arranger and Settlement Agent for the Proposed Loan.
Maturity	12 months from the closing date
Interest Rate	0%
Material Fundraising and Early Repayment	Should the Company raise funds at any point prior to maturity of the Convertible Notes in an amount greater than S\$6,000,000, such funds must be used for the repayment of the outstanding Convertible Notes.

	<p>The Lender shall have the right to convert up to 100% of the outstanding Convertible Notes shares of the Company in lieu of cash repayment at its election. Otherwise, the Company shall on the maturity date repay the Proposed Loan plus all interest, if any, due on any outstanding Convertible Notes.</p>
Conversion Price	<p>Subject to SGX-ST's approval having been obtained, if required, at any time 90 days after closing, the Lender may, in its sole discretion, convert the Convertible Notes at 90% of the volume weighted average price of the Shares for the last 5 trading days immediately preceding the date of conversion.</p>
Collateral Shares	<p>The Company will provide 75 million Collateral Shares to the Lender. The Collateral Shares shall be returned in full upon the Company making full repayment of the Proposed Loan to the Lender.</p> <p>For the avoidance of doubt, the parties have agreed that voting rights in connection with the Collateral Shares shall not be exercisable by the Lender and such voting rights shall vest in and be exercisable only by the Board.</p>
Event of Default	<p>The following events shall constitute an event of default (the "Event of Default"): </p> <ul style="list-style-type: none"> (i) failure to comply with any listing rules of the SGX-ST; and (ii) breach of the representations, warranties, covenants, and obligations under the transaction documents to be executed in connection with the issuance of the Convertible Notes. <p>Upon the occurrence of an Event of Default, the amount due on the Convertible Notes shall be payable immediately. Subject to all requisite approvals having been obtained, the Lender shall be entitled to convert up to the outstanding amount of the Convertible Notes. In addition, the Company shall owe the Lender a 25.0% default premium on the principal amount of the Convertible Notes, which remains outstanding.</p>
Legal & Due Diligence Fee	<p>The Lender shall be responsible for all legal costs incurred in connection with the documentation and the closing of this transaction.</p>

Conditions	<p>The Notes are conditional upon the Company obtaining all necessary regulatory and shareholder approvals, if required.</p> <p>The Lender's obligation to enter into a definitive agreement is subject to, <i>inter alia</i>, satisfactory completion of the due diligence exercise, approval by the Lender's executive committee, continuing trading of the Shares, and there being no adverse events which may affect the Company.</p>
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3. INFORMATION ON THE LENDER

The Lender is a boutique corporate finance advisory and merchant banking group, with its headquarters in Perth, Australia, and offices in Hong Kong and Singapore. The Lender has raised over A\$500,000,000 in equity, hybrid and debt financings for companies within the resources, energy, and industrial sectors listed on the Australian Stock Exchange, NASDAQ, SGX-ST, among others.

The Lender was identified and introduced to the Company through informal contacts in the industry, and no fees or commissions were paid to such persons.

The Lender has no business dealings with the Company other than the Proposed Loan. None of the directors of the Lender are related to any of the directors and substantial shareholders of the Company. The Lender does not fall within any of the prohibited categories as set out in Rule 812 of Listing Manual of the SGX-ST to whom the Company is prohibited from issuing the Convertible Notes and the Shares.

4. DEFINITIVE AGREEMENTS

- 4.1. The Lender intends to subscribe for the Convertible Notes to be issued by the Company. The Lender's intention to enter into the definitive agreement is subject to the continuing trading of the Shares and no adverse events which may affect the Company before the finalisation of the definitive agreement. In addition, the Convertible Notes will contain appropriate covenants.
- 4.2. The Company will make an announcement to disclose further details of the Proposed Loan upon execution of the definitive agreements and will make such other update announcement(s) from time to time.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective shareholding interests in the Company, and as otherwise disclosed above, none of the Directors and substantial shareholders of the Company have an interest, direct or indirect, in the transactions set out in this announcement.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Loan, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement

misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

7. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their shares. The Proposed Loan is subject to the entry into by the parties of definitive legal agreements, and to such further terms conditions as are customary in similar transactions. Shareholders are also advised to consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Drew Ethan Madacsi
Executive Director
8 March 2016