



ASX Announcement

24 July 2014

Restructure of Convertible Notes Obligations

Terramin Australia Limited (**Terramin**) (ASX: TZN) is pleased to announce that it has executed binding terms sheets with Asipac Group Pty Ltd (**Asipac**) (a significant shareholder of Terramin) and a new institutional investor which will facilitate the restructure and refinancing of the existing US\$15.05 million convertible notes (**Asipac Convertible Notes**) and A\$5.00 million convertible notes (**Institutional Convertible Notes**) which are due for repayment on 31 July 2014.

Terramin and Asipac have agreed to refinance the maturing Asipac Convertible Notes with a new Australian dollar denominated convertible note which has a term of two years. This issue of convertible notes will be subject to approval of shareholders at an Extraordinary General Meeting (**EGM**) to be convened by Terramin in coming weeks. The face value of the notes will be determined based on the AUD/USD exchange rate on the day prior to the EGM. The convertible notes will be convertible at the subscriber's option into Terramin shares at A\$0.065. The convertible note will be subject to a fixed interest rate where the interest will be paid in cash or Terramin shares. All other terms of the convertible notes will reflect those that currently apply to the Asipac Convertible Notes.

Terramin and a new institutional investor have agreed to refinance the maturing Institutional Convertible Notes with a new A\$5.50 million convertible note which has a term of two years. The convertible notes will be convertible at the subscriber's option into Terramin shares at A\$0.065 per share. The convertible notes will be subject to a fixed interest rate where the interest will be paid in cash or Terramin shares. It is anticipated that the convertible notes will be drawn down in late July. The convertible notes to the new institutional investor will be issued under Terramin's existing 15% placement capacity under ASX Listing Rules. However, Terramin will be seeking ratification of the issue of these convertible notes at the EGM.

It is anticipated that the EGM will be held in late August/early September.

The Directors acknowledge the continued support of Asipac and are pleased to welcome a new institutional investor in the company.

For further information, please contact:

Martin Janes
Chief Executive Officer
Terramin Australia Limited
+61 8 8213 1415
info@terramin.com.au

Level 3
70 Hindmarsh Square
Adelaide
SA
5000