

**CLAYTON UTZ**

Market Announcements Office  
ASX Limited, Sydney

19 May 2015

Joint Company Secretary  
Sandfire NL

No of pages: 24

Dear Sir/Madam

**Form 605 - Notice of ceasing to be a substantial holder**

In accordance with section 671B of the Corporations Act 2001 (Cth), we hereby lodge a Form 605 (Notice of ceasing to be a substantial holder) with ASX Limited (Market Announcements Office) in relation to Sandfire Resources NL (ACN 105 154 185124) for and on behalf of POSCO Australia Pty Limited.

Yours faithfully



Stuart Byrne, Partner  
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Christian Bourke, Lawyer  
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cbourke@claytonutz.com

Enc  
Our ref 722/18949/80166516

**Form 605**  
Corporations Act 2001  
Section 671B

**Notice of ceasing to be a substantial holder**

To Company Name/Scheme Sandfire Resources NL

ACN/ARSN 105 164 185

This notice is given by POSCO Australia Pty Ltd on behalf of itself, POSCO and each of the subsidiaries of POSCO (POSCO Group) including those entities named in the list attached as Annexure A.

**1. Details of substantial holder (1)**

Name POSCO Australia Pty Ltd (POSCO Australia)

ACN/ARSN (if applicable) 002 062 160

The holder ceased to be a substantial holder on

19/05/2015

The previous notice was given to the company on

29/05/2013

The previous notice was dated

29/05/2013

**2. Changes in relevant interests**

Particulars of each change in, or change in the nature of, a relevant interest (2) of the substantial holder or an associate (3) in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (4)	Consideration given in relation to change (5)	Class (6) and number of securities affected	Person's votes affected
19/05/2015	POSCO Australia, POSCO and each other member of the POSCO Group	Sale of Shares by POSCO Australia in accordance with the Block Trade Agreement dated 13 May 2015, a copy of which is attached as Annexure B	AUD\$5.43 per share	23,766,338 ordinary shares	23,766,338

**3. Changes in association**

The persons who have become associates (3) of, ceased to be associates of, or have changed the nature of their association (7) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

**4. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
POSCO Australia Pty Ltd	Suite G, Level 49, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000
POSCO	1 Gosong-dong, Nam-gu, Pohang, Gyeongsangbuk-do, Korea (South)
Each member of the POSCO Group	G/- 1 Gosong-dong, Nam-gu, Pohang, Gyeongsangbuk-do, Korea (South)

**Signature**

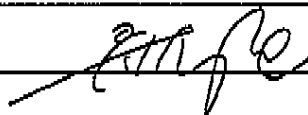
print name

SUKHO YOON

capacity

Director, POSCO  
Australia Pty Ltd

sign here



date

19/05/2015

**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg, a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 4 of the form.
- (2) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (3) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (4) Include details of:
- (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (5) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (6) The voting shares of a company constitute one class unless divided into separate classes.
- (7) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

## Annexure "A"

This is Annexure A of 5 pages (including this page) to the Form 605 Notice of ceasing to be a substantial holder signed by me and dated 19/05/2015.

Signature: \_\_\_\_\_

Name:

SUKHO YOON

Capacity: Director, POSCO Australia Pty Ltd

Date: 19/05/2015

Name of Company	Location
POSCO ENGINEERING & CONSTRUCTION., LTD.	Korea
POSCO Processing&Service	Korea
POSCO COATED & COLOR STEEL Co., Ltd.	Korea
POSCO ICT	Korea
POSCO Research Institute	Korea
POSMATE	Korea
POSCO A&C	Korea
POSCO America Corporation	USA
POSCO Canada Ltd.	Canada
POSCO Asia Co., Ltd.	China
POSCO-CTPC Co., Ltd.	China
POSCO-JKPC Co., Ltd.	Japan
POSCO E&C Vietnam Co., Ltd.	Vietnam
Zhangjiagang Pohang Stainless Steel Co., Ltd.	China
POSCO(Guangdong) Steel Co., Ltd.	China
POSCO (Thailand) Company Limited	Thailand
Myanmar POSCO Steel Co., Ltd	Myanmar
POSCO Capital Co., Ltd.	Korea
POSCO Investment Co., Ltd.	China
eNtoB Corporation	Korea
POSCO CHEMTECH	Korea
POSCO-Terminal Co., Ltd.	Korea
POSCO-MKPC SDN BHD	Malaysia
Qingdao Pohang Stainless Steel Co., Ltd.	China
POSCO(Suzhou) Automotive Processing Center Co., Ltd.	China
POSCO BIOVENTURES I, L.P.	USA
PT. POSNESIA Stainless Steel Industry	Indonesia
POSEC Hawaii, Inc.	USA
POSCO-China Qingdao Processing Center Co., Ltd.	China
POS-ORE PTY LTD	Australia
POSCO-China Holding Corp.	China
POSCO JAPAN Co., Ltd.	Japan
POSCO M-TECH	Korea
POSCO ENERGY CO., LTD.	Korea

POS-CD PTY LTD	Australia
POS-GC PTY LTD	Australia
POSCO-India Private Limited	India
POSCO-India Pune Processing Center, Pvt. Ltd.	India
POSCO-JEPC Co., Ltd.	Japan
POSCO-CFPC Co., Ltd.	China
POSCO E&C CHINA Co., Ltd.	China
POSCO MPPC S.A. de C.V.	Mexico
Zhangjiagang Pohang Port Co., Ltd.	China
Qingdao Pos-metal Co., Ltd.	China
POSCO-VIETNAM Co., Ltd.	Vietnam
POSCO MEXICO S.A. DE C.V.	Mexico
POSCO India Delhi Steel Processing Centre Private Limited	India
POSCAN Elkview	Canada
POSCO-Poland Wroclaw Processing Center Sp. z o. o.	Poland
POS-NP PTY LTD	Australia
POSCO-Vietnam Processing Center Co., Ltd.	Vietnam
POSCO(Chongqing) Automotive Processing Center Co., Ltd.	China
POSCO TMC Co., Ltd.	Korea
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.	China
POSCO NIPPON STEEL RHF JOINT VENTURE.CO.,Ltd.	Korea
POSCO-Malaysia SDN. BHD.	Malaysia
POS-Minerals Corporation	Canada
MegaAsset Co.,Ltd.	Korea
POSCO Engineering CO.,Ltd	Korea
POSCO(Wuhu) Automotive Processing Center Co., Ltd.	China
POSCO Engineering and Construction India Private Limited	India
POSCO E&C SMART S DE RL DE CV	Mexico
POSCO Philippine Manila Processing Center, Inc.	
POSCO China Suzhou Processing Center Co.,Ltd.	China
POSCO Gulf SFC LLC	UAE
Dalian POSCO ICT-DONGFANG Engineering Co., Ltd.	China
SANPU TRADING Co., Ltd.	China
Zhangjiagang BLZ Pohang International Trading	China
POSCO MEXICO HUMAN TECH S.A. de C.V.	Mexico
POSCO MESDC S.A. DE C.V.	Mexico
POSCO ICT-China	China
DWEMEX, S.A.DE.C.V.	Mexico
POSCO MPC Servicios S.A. de C.V.	Mexico
POSCO-Uruguay S.A	Uruguay
Pos-Sea Pte Ltd	Singapore
POSCO Europe Steel Distribution Center	Slovenia
POSCO ENGINEERING (THAILAND) CO., LTD.	Thailand
POSCO AST	Korea
POSHIMETAL Co., Ltd.	Korea
Poscoene	Korea
VECTUS LIMITED	England
ZEUS(Cayman)	Cayman Islands
POSCO VST CO., LTD.	Vietnam
POSCO Maharashtra Steel Private Limited	India
POSCO India Chennai Steel Processing Centre Pvt.Ltd.	India

POSCO TNPC Otomotiv Celik San. Ve Tic. A.S	Turkey
POSCO Vietnam Ha Noi Processing Center Co., Ltd.	Vietnam
POSCO(Liaoning) Automotive Processing Center Co., Ltd.	China
POSCO-Indonesia Jakarta Processing Center	Indonesia
POSCO E&C VENEZUELA C.A.	Venezuela
POSFINE Co., Ltd.	Korea
Motta Resources Indonesia	Indonesia
POSCO TMC INDIA PRIVATE LIMITED	India
POSCO Humans	Korea
Mapo Hlbroad Parking co., Ltd.	Korea
Steel Processing and Fabricating Center Co.,LTD	Korea
POSCO America Alabama Processing Center Co., Ltd.	USA
PT PEN INDONESIA	Indonesia
POSCO(Yantai) Automotive Processing Center Co., Ltd.	China
Plant Engineering service Technology Co., Ltd.	Korea
POSCO India Steel Distribution Center Private Ltd.	India
POSCO China Dallan Plate Processing Center Co., Ltd.	China
SUNGJIN GEOTEC Co., Ltd.	Korea
Busan E&E Co., Ltd.	Korea
POSCO Family Strategy Fund	Korea
POSCO-South Asia Company Limited	Thailand
POREKA Co., Ltd.	Korea
POSCO SS-VINA	Vietnam
POSCO NCR Coal Ltd.	Canada
POSCO WA PTY LTD	Australia
POSCO Engineering and Construction - UZ	Uzbekistan
POSCO AUSTRALIA GP PTY LIMITED	Australia
POSCO YongXin Rare Earth Metal Co., Ltd.	China
Daewoo International Corporation	Korea
POSCO LED Co., Ltd.	Korea
Hanjung Power Pty., Ltd	Papua New Guinea
Daewoo International (America) Corp.	USA
Daewoo International (Deutschland) GmbH.	Germany
Daewoo International Japan Corp.	Japan
DAEWOO INTERNATIONAL SINGAPORE PTE. LTD.	Singapore
Daewoo Italia S.r.l.	Italy
Daewoo (China) Co., Ltd.	China
DAEWOO TEXTILE FERGANA LLC	Uzbekistan
DAEWOO TEXTILE BUKHARA LLC	Uzbekistan
DAEWOO INTERNATIONAL AUSTRALIA HOLDINGS PTY LTD	Australia
Daewoo Paper Manufacturing Co., Ltd.	China
Tianjin Daewoo Paper Manufacturing Co., Ltd.	China
POSCO MAURITIUS LIMITED	Mauritius
PT. KRAKATAU POSCO	Indonesia
Myanmar Daewoo Limited	Myanmar
DAEWOO INTERNATIONAL MEXICO S.A. DE C.V.	Mexico
Daewoo International Guangzhou Corp.	China
Daewoo (M) SDN. BHD.	Malaysia
Daewoo EL SALVADOR S.A. DE C.V.	El Salvador
POSCO (Zhangjiagang) STS Processing Center Co., Ltd	China

Daewoo International (M) SDN BHD	Malaysia
Daewoo International SHANGHAI CO., LTD.	China
PGSF, L.P.	USA
Xenesys Inc.	Japan
Daewoo International INDIA Private Ltd.	India
TECHREN Solar, LLC	USA
PT. POSCO E&C INDONESIA	Indonesia
HUME COAL PTY LTD	Australia
Pohang Scrap Recycling Distribution Center Co., Ltd.	Korea
POSCO FOUNDATION	India
PSC Energy Global Co., Ltd.	Korea
EPC EQUITIES LLP	Ecuador
SANTOS CMI CONSTRUCTION TRADING LLP	Ecuador
SANTOS CMI INC. USA	USA
SANTOS CMI ENGENHARIA E CONSTRUCOES LTDA	Ecuador
SANTOS CMI PERU S.A.	Peru
SANTOS CMI CONSTRUCCIONES S.A.	Uruguay
GENTECH INTERNATIONAL INC.	Ecuador
EPC INVESTMENTS C.V.	Ecuador
SANTOS CMI S.A.	Ecuador
SANTOS CMI CONSTRUCCIONES DE CHILE S.A.	Chile
COMPANIAD AUTOMATIZACION & CONTROL, GENESYS S.A.	Ecuador
VAUTIDAMERICAS S.A.	Ecuador
Suncheon Eco Trans Co., Ltd	Korea
POSCO ASSAN T&T STEEL INDUSTRY	Turkey
HONG KONG POSCO E&C (CHINA) INVESTMENT Co., Ltd.	China
POSCO ENGINEERING & CONSTRUCTION DO BRAZIL LTDA.	Brazil
POSCO Electrical Steel India Private Limited	India
New Altec Co., Ltd	Korea
POSCO-INDONESIA	Indonesia
POSCO(Dalian) IT Center Development Co., Ltd.	China
Brazil Sao Paulo Steel Processing Center	Brazil
DAESAN (CAMBODIA) Co., Ltd.	Cambodia
POSCO Klappan Coal Limited	Canada
PONU Tech Co., Ltd.	Korea
PT.POSCO ICT INDONESIA	Indonesia
PT. POSCO MTECH INDONESIA	Indonesia
PT. KRAKATAU POSCO ENERGY	Indonesia
POSCO RUS LLC	Russia
POSCO Thalnox Public Company Limited	Thailand
DAEWOO INTERNATIONAL SHANGHAI WAIGAOQIAO CO., LTD.	China
PT. Bio Inti Agrindo	Indonesia
POSCO ENGINEERING AND CONSTRUCTION AUSTRALIA (POSCO E&C AUSTRALIA) PTY LTD	Australia
POSCO-TISCO (JILIN) PROCESSING CENTER Co., Ltd.	China
Hunchun Posco Hyundai International Logistics Complex Development Co., Ltd	China
USA-SRDC	USA
Daewoo International Vietnam Co., Ltd.	Vietnam
Tamra Offshore Wind Power Co., Ltd	Korea
POS-HIAL	Korea
PT.Krakatau Posco Chemtech Calcination	Indonesia

POSCO AFRICA (PROPRIETARY) LIMITED	South Africa
EPC INGENIERIA & SERVICIOS DE COSTA RICA SA	Coasta Rica
POSCO ICT BRASIL	Brazil
LA-SRDC	USA
DONG FANG JIN HONG	China
PRODUCTOS OFERTAS SISTEMAS Y COMERCIALIZADORA ORIENTAL S DE RL DE CV	USA
POSCO AMERICA COMERCIALIZADORA S DE RL DE CV	USA
POSCO(Guangdong) Automotive Steel Co., Ltd.	China
POSCO MAPC SA DE CV	Mextco
POSCO-Mory-Maruyasu PIPE	Japan
PT KRAKATAU BLUE WATER	Indonesia
KRAKATAU POS-CHEM DONG-SUH CHEMICAL	Indonesia
Myanmar Daewoo International Corporation	Myanmar
POSCO-Italy Processing Center	Italy
DAEWOO E&P CANADA CORPORATION	Canada
IT Engineering	Korea
Yingkou Puxiang Trade Co.,Ltd.	China
Myanmar POSCO C&C Company, Limited.	Myanmar
POSCO ICT VIETNAM	Vietnam
Daewoo Global Development. Pte., Ltd	Singapore
Myanmar POSCO Engineering&Construction Company, Limited.	Myanmar
POSCO COATED STEEL (THAILAND) CO., LTD.	Thailand
Future Creation Fund Postech Early Stage account	Korea
Daewoo Power and Infra (PTY) Limited	South Africa
Daewoo Amara Company Limited	Myanmar
POSMATE-CHINA CO., LTD	China
Daewoo Precious Resources Co., Ltd.	Myanmar
POSCO-Mexico Villagran Wire-rod Processing Center	Mexico
POSCO Green Gas Technology	Korea
SANTOS CMI Guatemala S.A.	Guatemala
POSCO-China Dalian Steel Fabricating Center	China
POSCO WOMAN'S FUND	Korea
POSPower CO., Ltd.	Korea
POSCO E&C HOLDINGS CO.,Ltd.	Thailand
POSCO E&C (THAILAND) CO.,Ltd.	Thailand
Songdo Posco family Housing	Korea
SUNGJIN CANADA LTD.	Canada
POSCO PLANTEC Thailand CO. LTD	Thailand
DAEWOO POWER PNG Ltd.	Papua New Guinea
Posco Group University	Korea
POSCO India Ahmedabad Steel Processing Center Pvt.Ltd.	India
HOTEL LAONZENA	Korea
COINSA INGENIERIA Y PETROQUIMICA S.R.L	Bolivia



## Annexure "B"

This is Annexure B of 16 pages (including this page) to the Form 605 Notice of ceasing to be a substantial holder signed by me and dated 19/05/2015.

Signature:   
\_\_\_\_\_

Name: SUKHO YOON

Capacity: Director, POSCO Australia Pty Ltd

Date: 19/05/2015



Citigroup Global Markets Australia Pty Limited  
ABN 64 003 114 832  
AFS Licence No. 240992

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SYDNEY NSW 2000  
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SYDNEY NSW 2001  
AUSTRALIA

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Internet www.citi.com.au

**Strictly Private and Confidential**

13 May 2015

Posco Australia Pty Limited  
Level 49, Governor Philip Tower,  
1 Farrer Place, Suite C,  
Sydney, New South Wales, Australia, 2000.

**SALE OF SECURITIES IN SANDFIRE RESOURCES NL**

**1. Sale of securities**

- 1.1 Posco Australia Pty Limited (the "Seller") is a holder of securities ("Securities") in Sandfire Resources NL (the "Company"). Schedule 1 of this agreement sets out the number of Securities to be sold by the Seller in the Company (the "Sale Securities").
- 1.2 This agreement sets out the terms and conditions whereby the Seller agrees to sell the Sale Securities and appoints Citigroup Global Markets Australia Pty Limited (the "Underwriter") and the Underwriter accepts the appointment and agrees to:
  - (a) act as its broker and agent to offer for sale the Sale Securities on 14 May 2015, which shall be the T date, T date being the date on which the trade is executed ("Trade Date");
  - (b) manage the sale of the Sale Securities by procuring potential investors at the final per Security price for the Sale Securities ("Sale Price") determined under clause 1(d) below;

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- (c) underwrite and guarantee the sale of the Sale Securities at a minimum price of A\$5.43 per Sale Security ("**Underwritten Price**");
  - (d) The Underwriter will determine the Sale Price for the Sale Securities via a bookbuild process ("**Bookbuild**"). The Sale Price cannot be less than the Underwritten Price;
  - (e) if by 9.00am on the Trade Date, the Underwriter has not received binding bids for all of the Sale Securities for a price at or above the Underwritten Price subject to clause 1.8, the Underwriter will immediately either itself purchase or procure other investors to purchase at the Underwritten Price those Sale Securities in respect of which the Underwriter has not received binding bids from third party purchasers (the "**Residual Securities**"); and
  - (f) pay, or procure the payment of, the Underwritten Price per Sale Security to the Seller and transfer, or procure the transfer of, the Sale Securities to the purchasers of those securities, in accordance with this agreement or take delivery of any Residual Securities.
- 1.3 The Seller undertakes to provide the Underwriter with a current copy of the relevant issuer sponsored holding statement as soon as practicable.
- 1.4 the Underwriter will determine the final allocation of Sale Securities to purchasers. Without prejudice to the generality of the foregoing, under no circumstances will the Underwriter allocate any Sale Securities to any single eligible institutional investor representing 5% or more of the existing issued Securities without the prior written consent of the Seller having been obtained.
- 1.5 On or before the day of execution of this agreement, the Seller will open an account with the Underwriter in accordance with the Underwriter's usual practice and standard terms of business.
- 1.6 The Underwriter must purchase or procure the purchase of the Sale Securities (excluding any Relevant Securities which the Underwriter will purchase or procure the purchase of in accordance with clause 1.10) on the Trade Date by way of one or more special crossings in accordance with the ASX Settlement Operating Rules and ASX Operating Rules. Settlement of the Sale Securities (excluding any Relevant Securities which will be settled in accordance with clause 1.11) will be on a T+3 basis ("**Settlement Date**") in accordance with the ASX Settlement Operating Rules and ASX Operating Rules.
- 1.7 By 5:00pm (Sydney time) on the Settlement Date, the Underwriter must pay or procure the payment to the Seller an amount equal to the number of Sale Securities multiplied by the greater of the Underwritten Price and the Sale Price, less any fees payable to the Underwriter pursuant to clause 2, by transfer to the Seller' nominated account for value

(in cleared funds) against delivery of the Sale Securities (excluding any Relevant Securities as defined in clause 1.8). For the avoidance of doubt, payment for any Relevant Securities to the Seller shall also be made notwithstanding that no delivery has been made due to a Regulatory Event.

1.8 Notwithstanding anything else in this agreement, the Underwriter will not purchase Sale Securities ("Relevant Securities") which are not purchased by third parties purchasers that would result in either:

- (a) the Underwriter or any of its Affiliates being obliged to notify the Treasurer of Australia under section 26 of the *Foreign Acquisitions and Takeovers Act 1975 (Cth)* ("FATA"); or
- (b) breach by the Underwriter or any of its Affiliates (including associates) of section 606 of the *Corporations Act 2001 (Cth)* ("Corporations Act")

(each of (a) and (b) being a "Regulatory Event"), taking into account the number of Securities then held by the Underwriter and/or its Affiliates in the Company.

1.9 The Underwriter warrants that the information it provides to the Seller to enable the Underwriter to calculate the number of Securities held by it and its Affiliates in accordance with clause 1.8 will, at the time it is given, be accurate.

1.10 (a) To the extent that a Regulatory Event arises then:

- (i) the Underwriter must still comply with its obligations to pay or procure payment to the Seller pursuant to clause 1.7 provided that the portion of those payments that is equal to the number of any Relevant Securities multiplied by the greater of the Underwritten Price and the Sale Price is provided to the Seller as an interest free loan ("Advance Amount");
- (ii) the Seller is not required to repay the Advance Amount other than from, and to the extent the Seller receives monies directly for the sale of the Relevant Securities, provided always that the Seller shall not be responsible for any shortfall in repayment from the proceeds of the sale of Relevant Securities and the Underwriter shall bear the loss arising from the shortfall in the sale proceeds of the Relevant Securities, if any;
- (iii) the Underwriter must continue its efforts to procure subscribers for such Relevant Securities as agent for the Seller in the ordinary course of its business; and
- (iv) the Seller acknowledges that the Underwriter does not acquire any interest or relevant interest in, or rights in respect of, any Relevant Securities except to act as agent for the Seller in procuring sales for the Relevant Securities.

- (b) Subject to clause 1.4, the Seller must, as soon as practicable, acting reasonably, transfer the Relevant Securities upon notification from the Underwriter that it has procured acquirers for such Relevant Securities, or is itself able to acquire for such Relevant Securities without resulting in a Regulatory Event, at any time the Underwriter reasonably requests, except that no acquisitions may be made by any person to the extent identified by the Seller if the Seller reasonably believes that such transfer may lead to a breach of FATA or other applicable law.
- (c) the Underwriter is entitled to apply, by way of set off, the proceeds for the purchase of any Relevant Securities against the Advance Amount, immediately upon the Underwriter's receipt of those proceeds. For the avoidance of doubt the Underwriter shall not have recourse to the Seller for any shortfall in repayment from the sale proceeds of the Relevant Securities.

1.11 Settlement of the Relevant Securities will be on a T+3 basis in accordance with the ASX Settlement Operating Rules and ASX Operating Rules where T means the trade date on which the Relevant Security is sold and not the Trade Date.

## **2. Fees and expenses**

2.1 The Seller will pay to the Underwriter a fee as agreed separately between the parties in consideration of the services that the Underwriter has agreed to provide in accordance with this agreement.

## **3. U.S securities laws matters**

3.1 The Sale Securities shall only be offered and sold to persons that are not U.S. Persons and are not in the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act of 1933 (the "U.S. Securities Act") in reliance on Regulation S under the U.S. Securities Act ("Regulation S").

## **4. Representations and warranties**

4.1 The Seller represents, warrants and undertakes to the Underwriter at all times up to and including the Settlement Date (or where clause 1.8 applies in respect of the Underwriter and subject to clause 4.1A, at all times up to the earlier of the completion of the sale of the Sale Securities and six months (the "Representation End Date")) that:

- (a) (body corporate) it is a body corporate validly existing and duly established under the laws of its place of incorporation;
- (b) (capacity) it has the power to enter into and comply with all the terms and conditions of this agreement;

- (c) **(agreement effective)** this agreement constitutes the Seller's legal, valid and binding obligations, enforceable against it in accordance with its terms;
- (d) **(ownership, encumbrance)** it is the registered holder and sole legal beneficial owner of the Sale Securities, owns the Sale Securities free and clear of any liens, charges, security interests, claims, equities and pre-emptive rights and has been the registered holder of the Sale Securities for a period in excess of 12 months;
- (e) **(Sale Securities)** the sale of the Sale Securities will not be in breach or violation of, or constitute a default by it, its directors, officers or related bodies corporate of the Corporations Act, the ASX Listing Rules, regulations, its constitution, any other applicable statute, law, rule or regulation in any respect and does not otherwise require disclosure under the provisions of the Corporations Act;
- (f) **(Non-public information)** as at the date of this agreement, neither the Seller nor or any of its directors, officers, employees or related bodies corporate has any non-public information, or information that is not generally available, that can reasonably be expected to have a material impact on the price of the Securities;
- (g) **(due diligence call)** to the Seller's belief, all information provided to the Underwriter on the due diligence call conducted between representatives of the Underwriter and the Seller shortly prior to execution of this agreement on the date of this agreement is true and correct, and not misleading, in any material particular;
- (h) **(authority)** it has the complete and unrestricted corporate authority, power and right to sell the Sale Securities under this agreement and no person has a conflicting right, whether contingent or otherwise, to purchase or to be offered for purchase the Sale Securities, or any of them;
- (i) **(authorisations and consents)** it and its directors, officers, employees and related bodies corporate and the directors, officers or employees of its related bodies corporate have all necessary authorisations or consents required under the Corporations Act in order to perform their obligations under this agreement;
- (j) **(compliance with laws, rules and regulations)** in relation to the sale of the Sale Securities and the performance of its obligations under this agreement, the Seller has complied with all applicable obligations under the Corporations Act, FATA and all other applicable laws, rules and regulations;
- (k) **(Sale Securities rank equally)** following sale by the Seller, the Sale Securities will rank equally in all respects with all other Securities and may be offered for sale on the financial market operated by ASX without disclosure to investors under Part 6D.2 of the Corporations Act;

- (l) **(no general solicitation)** none of it, any of its Affiliates or any person acting on behalf of any of them (other than the Underwriter or its Affiliates or any person acting on behalf of any of them, as to whom it makes no representation) has offered or sold, or will offer or sell, any of the Sale Securities in the United States, using any form of "general solicitation" or "general advertising" within the meaning of Rule 502(c) under the U.S. Securities Act or in any manner involving a public offer in the United States within the meaning of Section 4(a)(2) of the U.S. Securities Act;
  - (l) **(Sale Securities sold in reliance on Regulation S)** with respect to those Sale Securities sold in reliance on Regulation S, none of it, any of its Affiliates, or any person acting on behalf of any of them (other than the Underwriter or its Affiliates or any person acting on behalf of any of them, as to whom it makes no representation) has engaged or will engage in any "directed selling efforts" (as that term is defined in Rule 902(c) under the U.S. Securities Act);
  - (m) **(foreign private issuer)** the Company is a 'foreign private issuer' as defined in Rule 405 under the U.S. Securities Act and the Seller reasonably believes that there is no "substantial U.S. market interest" (as defined in Rule 902(j) under the U.S. Securities Act) in the Sale Securities or any security of the same class or series as the Sale Securities;
  - (n) **(no stabilisation or market manipulation)** to its knowledge, neither it nor any of its Affiliates has taken or will take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in the stabilisation or manipulation of the price of the Sale Securities in violation of any applicable law;
  - (o) **(no integrated offers)** none of it, any of its Affiliates or any person acting on behalf of any of them (other than the Underwriter or its Affiliates or any person acting on behalf of any of them, as to whom it makes no representation or warranty), has solicited any offer to buy, offered to sell or sold, and none of them will solicit any offer to buy, offer to sell or sell in the United States any security which could be integrated with the sale of the Sale Securities in a manner that would require the offer and sale of the Sale Securities to be registered under the U.S. Securities Act;
- 4.1A The Seller agrees that if the Underwriter has failed to procure purchasers for any Relevant Security at the Representation End Date, it will use reasonable endeavours to provide the Underwriter with the representations and warranties in clause 4.1 at any time after the Representation End Date, as reasonably requested by the Underwriter, to enable the Underwriter to procure purchasers for such Relevant Securities.
- 4.2 The Seller acknowledges that the Underwriter will rely on each of the warranties given by the Seller in this agreement in offering to sell the Sale Securities.
- 4.3 The Underwriter represents, warrants and undertakes to the Seller at all times up to and including the Settlement Date, the Representation End Date and any other later date

than the Settlement Date on which any Relevant Security is sold and settled by way of one or more special crossings in accordance with the ASX Settlement Operating Rules and ASX Operating Rules, that:

- (a) it is a body corporate validly existing and duly established under the laws of its place of incorporation;
- (b) it has full legal capacity and power to enter into this agreement and carry out the transactions under this agreement that this agreement contemplates;
- (c) this agreement constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms;
- (d) It is a Qualified Institutional Buyer (as defined in Rule 144A under the U.S. Securities Act 1933) or is not a U.S. Person;
- (e) it acknowledges that the Sale Securities have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
- (f) it, its Affiliates and any person acting on behalf of any of them has offered and sold the Sale Securities, and will offer and sell the Sale Securities only to persons that are not in the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S,
- (g) with respect to those Sale Securities sold in reliance on Regulation S, none of it, its Affiliates nor any person acting on behalf of any of them has engaged or will engage in any "directed selling efforts" (as that term is defined in Rule 902(c) under the U.S. Securities Act);
- (h) none of it, any of its Affiliates, or any person acting on behalf of any of them has offered or sold or will offer or sell, the Sale Securities in the United States using any form of "general solicitation" or "general advertising" (within the meaning of Rule 502(c) under the U.S. Securities Act) or in any manner involving a public offering in the United States within the meaning of Section 4(a)(2) of the U.S. Securities Act;
- (i) neither it, nor any of its Affiliates, nor any person acting on behalf of any of them, has taken or will take, directly or indirectly, any action designed to, or that would be expected to, cause or result in the stabilisation or manipulation of the price of the Sale Securities in violation of any applicable law.

4.4 The Underwriter acknowledges that the Seller will rely on each of the warranties given by the Underwriter in this agreement in offering to sell the Sale Securities, including any Relevant Securities and Residual Securities.



## **5. Undertakings**

### **5.1 Restricted Activities.** The Seller undertakes to:

- (a) not, prior to settlement on the Settlement Date commit, be involved in or acquiesce in any activity which breaches:
  - (i) the Corporations Act and any other applicable laws;
  - (ii) its constitution;
  - (iii) the ASX Listing Rules and ASX Market Rules;
  - (iv) any legally binding requirement of ASIC or the ASX; and
- (b) immediately notify the Underwriter of any breach of any warranty or undertaking given by it under this agreement,

each of these undertakings being material terms of this agreement provided that involuntary or inadvertent minor infractions will be excluded from the scope of this undertaking.

### **5.2 Announcements.** The Seller and the Underwriter agree to consult each other in respect of any written public releases by any of them concerning the transaction contemplated by this agreement. The prior written consent of the Seller must be obtained prior to the Underwriter making any release or announcement or engaging in publicity in relation to the transaction herein (which for the avoidance of doubt shall not include any equity research report published by the Underwriter or its Affiliates) and any such release, announcement or engagement must be in compliance with all applicable laws, including the securities laws of Australia, and any other jurisdiction.

## **6. Indemnity**

### **6.1** The Seller agrees to indemnify the Underwriter, its related bodies corporate, directors, officers and employees (each an "Indemnified Party" and collectively the "Indemnified Parties") from and against all losses, liabilities, damages, costs, charges, expenses (including legal expenses), taxes, claims, actions, demands or judgment (a "Loss") and pay the Indemnified Party an amount to the Loss in respect of:

- (a) (breach) any breach the Seller or any of their respective agents or employees of any of their obligations under this agreement or any other obligations to the Indemnified Parties binding on it;
- (b) (misrepresentation) any breach of any representation or warranty made or given by the Seller under clause 3 ("Representations and Warranties") in this agreement; and
- (c) (law) any failure, or alleged failure, by it or its agents, employees or professional advisers (except the Underwriter) to comply with any law,

regulation, order, judgment or agreement in any jurisdiction in relation to the sale of Sale Securities other than as a consequence of a breach by the Underwriter or its Affiliates of clause 4.3,

except insofar as such Loss is finally judicially determined to have resulted primarily from the Indemnified Party's fraud, gross negligence or wilful misconduct.

Each of the paragraphs of this clause 6.1 ("Indemnity") will be construed independently and no paragraph will be limited by implications arising from any other paragraph.

- 6.2 Each Indemnified Party, whether or not a party to this agreement, will be entitled to the benefit of this clause 6 ("Indemnity") and this clause 6 ("Indemnity") is entered into and may be enforced on that Indemnified Party's behalf by the Underwriter.
- 6.3 Each of the indemnities in clause 6.1 ("Indemnity") is a continuing obligation, separate and independent from the other obligations of the parties under this agreement and survives termination or completion of this agreement.
- 6.4 If any action shall be brought or asserted against a Indemnified Party in respect of which payment under this paragraph 6 may be sought from the Seller, such Indemnified Party shall notify the Seller promptly after becoming aware thereof. Such Indemnified Party shall keep the Seller informed of the progress of such suit, action, proceeding claim or demand. The Indemnified Party shall also employ such legal advisers as may be agreed between the Indemnified Party and the Seller. The Seller shall not be liable for any settlement of any such proceeding effected without its written consent (provided that such consent shall not be unreasonably withheld or delayed), but if settled with such consent (or without such consent in circumstances where such consent shall have been unreasonably withheld or delayed as aforesaid) or if, failing any settlement, there be a final judgment for the plaintiff, the Seller agrees to pay the Indemnified Party an amount equal to the Loss by reason of such settlement or judgment. The Seller will not settle any proceeding without the written consent of the Indemnified Party provided that such consent shall not be unreasonably withheld or delayed.

## **7. General**

### **7.1 No fiduciary relationship**

The parties agree that it is not the intention of the parties to create a fiduciary relationship between them. Without limiting the foregoing, the Seller acknowledges and agrees that:

- (a) it is contracting with the Underwriter on an arm's-length basis and as an independent contractor and not in any other capacity to provide the services set out in this agreement;

- (b) the Underwriter has not acted, is not acting and will not act in a fiduciary capacity with respect to, the Seller and neither a previous nor existing relationship between the Underwriter and the Seller will be deemed to create a fiduciary relationship;
- (c) the Underwriter has not assumed and is not assuming any duties or obligations other than those expressly set out in this agreement; and
- (d) the Seller understands that the Underwriter and its Affiliates (collectively, the "Group") are in the ordinary course globally engaged in a wide range of financial services and businesses (including investment management, financing, advisory services, securities trading, corporate Underwriting and research). Members of the Group and businesses within the Group generally act independently of each other, both for their own account and for the account of clients. Accordingly, there may be situations where parts of the Group and/or their clients either now have or may in the future have interests, or take actions, that may conflict with the Seller's interests. For example, the Group may, in the ordinary course of business, engage in trading in financial products or undertake other investments for their own account or on behalf of other clients, including, but not limited to, trading in or holding long, short or derivative positions in securities, loans or other financial products of the Company or the Seller.

In recognition of the foregoing, the Seller agree that the Group is not required to restrict its activities as a result of this engagement, and that the Group may undertake any business activity without further consultation with or notification to the Seller. Neither this agreement nor the receipt by the Underwriter of confidential information nor any other matter shall give rise to any fiduciary, equitable or contractual duties (including without limitation any duty of trust or confidence) that would prevent or restrict the Group from acting on behalf of other customers or for its own account. Furthermore, the Seller agrees that neither the Group nor any member or business of the Group is under a duty to disclose to the Seller or use on behalf of the Seller any information whatsoever about or derived from those activities or to account for any revenue or profits obtained in connection with such activities.

- 7.2 This agreement is governed by the laws of New South Wales, Australia and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.
- 7.3 This agreement may be executed in counterparts. All executed counterparts constitute one document.
- 7.4 This is the entire agreement between the parties about the sale of the Sale Securities and, to the extent possible, the parties exclude all terms implied by law.

- 7.5 No party may assign its rights or obligations under this agreement without the prior written consent of the other parties.
- 7.6 Each provision of this agreement is severable. If any provision is or becomes invalid or unenforceable or contravenes any applicable regulations or law, the remaining provisions will not be affected provided that the underlying transactions contemplated by this agreement are not materially affected.
- 7.7 All notices, approvals, consents or other communications given or made in relation to this agreement must be in writing, and if made to the Seller or any of their respective Affiliates is to be addressed as follows:

**SELLER**

Attention: Mr Sukho Yoon

Address: Level 49, Governor Philip Tower, 1 Farrer Place, Suite C, Sydney, New South Wales, Australia, 2000.

Email address: shyoon@poscoaustralia.com

**UNDERWRITER**

Attention: Mr John McLean

Address: Level 23, 2 Park Street Sydney NSW 2000

Fax: +61 2 8225 5466

**8. Definitions****8.1 In this agreement:**

- (i) an "Affiliate" or "affiliate" of any person means any other person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such person; "control" (including the terms "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management, policies or activities of a person, whether through the ownership of securities, by contract or agency or otherwise and the term "person" is deemed to include a partnership;
- (ii) "ASX" means ASX Limited and also, as the context requires, the securities market operated by ASX; and
- (iii) "Business Day" means a day on which:
- (A) ASX is open for trading in securities; and

(B) Underwriters are open for general Underwriting business in Sydney, Australia.

**EXECUTED** as an agreement

Signed for and on behalf of Citigroup  
Global Markets Australia Pty Limited  
ABN 64 003 114 832 by:

*John Mulvan*  
.....  
Managing Director

*JOHN MULVAN*  
.....  
Name

*Dragi Ruzewski*  
.....  
Director

*DRAGI RUSZEWSKI*  
.....  
Name

Signed for and on behalf of Posco  
Australia Pty Limited by:



Signature of Director

SUKHO YOON

Name



Signature of Director/Company Secretary

Jun Yong Hong

Name

**Schedule 1**  
**Sale Securities**

<b>Seller</b>	<b>Number of Securities to be sold</b>
<b>Posco Australia Pty Limited</b>	<b>23,756,338 securities</b>