

■ ■ ■ PROSPECTUS



## Viking Capital Limited

### WARNING – RESTRICTED DISCLOSURE

This registered prospectus has been prepared in accordance with the Securities Act (NZX-NZAX Market) Exemption Notice 2005. It may not contain as much information as would ordinarily appear in a registered prospectus prepared in accordance with the requirements of Schedule 1 of the Securities Regulations 1983.

In particular, the issuer believes that it is unable to prepare meaningful projections of future returns and has elected not to provide projections of future returns. Investors should rely on their own judgement or on independent advice as to the likely level of returns.

It is strongly recommended that you seek independent professional advice before investing in these securities.

Copies of this registered prospectus, financial statements of the issuer\*, and other information about the securities offered and the issuer of the securities are available from the issuer's NZAX information portal on the NZAX website at [www.nzx.com/market/security-details/by-security?code=VIK](http://www.nzx.com/market/security-details/by-security?code=VIK) or free of charge from the issuer on request.

\*as the issuer has only recently been incorporated, there are not yet any financial statements of the issuer.

# ■ IMPORTANT INFORMATION

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

## Choosing an Investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

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## Choosing an Investment Adviser

You have the right to request from any investment adviser a written disclosure statement stating his or her experience and qualifications to give advice. That document will tell you –

- whether the adviser gives advice only about particular types of investments; and
- whether the advice is limited to the investments offered by 1 or more particular financial organisations; and
- whether the adviser will receive a commission or other benefit from advising you.

You are strongly encouraged to request that statement. An investment adviser commits an offence if he or she does not provide you with a written disclosure statement within 5 working days of your request. You must make the request at the time the advice is given or within 1 month of receiving the advice.

In addition –

- If an investment adviser has any conviction for dishonesty or has been adjudged bankrupt, he or she must tell you this in writing; and
- If an investment adviser receives any money or assets on your behalf, he or she must tell you in writing the methods employed for this purpose.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes.



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### Date and Preparation

This Prospectus is dated and prepared as at 2 June 2006.

### Registration

A copy of this Prospectus, duly signed and having attached thereto the documents required by Section 41 of the Securities Act 1978, being the material contracts (as specified under "Other Important Information" at the end of the Answers to Important Questions section of the Prospectus) and NZX's signed certificate pursuant to clause 8 of the Securities Act (NZX-NZAX Market) Exemption Notice 2005, has been delivered for registration to the Registrar of Companies at Auckland, New Zealand.

### Restriction on the Distribution of the Prospectus

This Prospectus is intended for use only in connection with the Offer in New Zealand. This Prospectus must not be distributed or provided to any person outside New Zealand, in circumstances which the Offer or distribution or use of this Prospectus would be unlawful.

### NZAX Quotation

Application has been made to NZX for permission to list the ordinary Shares of the Company (including the Shares being offered in this Prospectus) and the Warrants on the NZAX. All the requirements of NZX relating thereto, that can be complied with, on or before the date of this Prospectus, have been complied with. However, NZX accepts no responsibility for any statement in this Prospectus. NZX has authorised the NZX Sponsor to act in this Offer.

### Defined Terms

Capitalised terms used in this Prospectus have a special meaning and are defined in the Glossary of this Prospectus.

**This Prospectus is an important document and should be read in its entirety. If you have any questions about any part of this Prospectus, you should obtain the advice of your solicitor, Primary Market Participant, accountant or other financial adviser.**

# 1 INVESTMENT HIGHLIGHTS

**Viking Capital** has a simple business objective – to build significant shareholder value.











**Viking Capital** intends to invest in assets and businesses and use its strategic, management and financial skills to create value for Viking's shareholders.

**Viking Capital** Directors, Brent King and Grant Baker and/or their associates, intend to subscribe under the Offer for significant equity stakes in the Company (none of these persons guarantees the Shares or Warrants offered by this Prospectus).

These Directors have proven business experience.

Sir William Birch, Viking Capital's third director, is a highly respected company director, and a former Minister of Finance, with extensive financial and governance experience and he also intends to subscribe for Shares under the Offer (Sir William Birch does not guarantee the Shares or Warrants offered under this Prospectus).

## **Viking Capital:**

-  intends to access investments that assist the Company to produce superior returns.
-  intends to operate with a broad, flexible and aggressive investment mandate.
-  will utilise the proven business experience of its key personnel to originate, execute, manage and add value to investment opportunities.
-  believes that the skills and experience of its key personnel give the Company a competitive advantage in the speed with which it is able to mobilise its resources to evaluate and execute investment opportunities.
-  intends to have a streamlined, hands-on, management structure that rewards performance.
-  intends that its major investment focus will be New Zealand, but funds may nevertheless be invested in overseas markets.
-  intends to grow its asset base and purchasing power quickly, and intends to raise further capital from equity and debt issues in the future.
-  will not look to place any restrictions on its target investments, which may include both majority and minority equity stakes in companies, and investments and other security instruments and other assets, such as real estate and mortgages.
-  will not look to place any limits on the amount of individual investments or to restrict the size of its investments.
-  will therefore operate under an investment mandate that does not impose any limits on the classes of possible assets and jurisdictions that the Company may invest in.

**Viking Capital** may acquire its investments with cash, the issue of Shares or other securities to the vendor, or such other forms of consideration that it considers appropriate.

Brent King, operating under the Management Agreements, and other personnel will recommend investment opportunities to the Company, based on their own research, which may be supplemented by independent valuation reports if considered appropriate, but investment (and divestment) decisions will be made by the Board of the Company.

Viking Capital Director, Brent King, has successfully managed a number of investment banking projects where fee income has been derived through a combination of underwriting, structuring and financial assistance.

Contemporaneously with this Offer, the Company is proposing to issue 4,500,000 additional Shares to Viking Share Plan Trustee Limited as trustee for Participants in the Viking Share Ownership Plan described at page 9, to assist the Company to attract and retain directors and key employees and other persons who provide personal services on a long term basis.

The Board will make investment (and divestment) decisions based on proposals put to it pursuant to the Management Agreements, its own experience and, if considered necessary, reports from third parties.

Viking Capital will generally look to secure a significant influence over the strategy, management and financial direction of the businesses in which the Company invests.

Despite the broad investment mandate, the Company may invest a substantial portion of its funds in a single opportunity or in a single sector.

Viking Capital intends to hold its investments on a long term basis, but may sell earlier if that is considered appropriate in the circumstances so as to maximise shareholder value.

Viking Capital offers investors an aggressive risk/reward profile.

Viking Capital is not intended to be an investment that provides regular income; rather it aims to provide investors with a growth stock that maximises returns over the medium term.

An investment in Viking Capital is an investment that is tradeable.



## 2 CHAIRMAN'S LETTER



Brent King  
CHAIRMAN

Viking Capital has been established to take advantage of the significant changes we anticipate for the economy in the foreseeable future.

Our perception is that asset and business values have been bid up across various sectors of the economy. We expect this to plateau and be followed by significant restructuring and rationalisation with an associated downwards re-rating of asset and business values.

As a result we believe that significant investment opportunities will present themselves in New Zealand and elsewhere over the next five years.

We will look to pursue these investment opportunities and create wealth by buying prudently and using our management and financial skills to create value.

Viking Capital will utilise the proven business experience its key personnel have in originating, executing, managing and adding value to investment opportunities. The track record of our key personnel is of the highest quality over a sustained period and varying economic cycles.

Our Board's business objective is simple – to build significant shareholder value.

Operationally, the Company intends to have a broad, flexible and aggressive investment mandate designed to access opportunities that translate into attractive investments.

I believe our key personnel give Viking Capital a competitive advantage in the speed with which it is able to evaluate opportunities, mobilise resources, and execute investment strategies. Agility, capability, and speed of thought and deed will be key motifs for our Company leadership.

Viking Capital will look to secure a significant influence over the strategy, management and financial direction of the businesses in which the Company invests.

This investment opportunity will not be for everyone. It poses an aggressive risk/reward profile. It is appropriate only for those who are able to assess its risks and rewards.

The Company should not be viewed as an investment that will provide regular income. Rather, Viking Capital aims to provide investors with a growth stock that maximises returns over the medium term.

I am determined to make Viking Capital succeed. I look forward to working with your capital. My aim is to create outstanding returns for all Viking Capital investors.

On behalf of the Directors, I am pleased to make this investment opportunity available to you and recommend it accordingly.

Yours faithfully

A handwritten signature in blue ink, appearing to be 'B. King', written in a cursive style.

Brent King  
Chairman  
Viking Capital Limited



## 3 KEY STATISTICS

Shares Offered	60,000,000 <sup>1</sup>
Price per Share	25 cents
Shares on issue (post issue)	60,000,001 <sup>2</sup>
Warrants on issue (post issue)	28,299,999 <sup>3</sup>
Market Capitalisation at Issue Price	\$15,000,000.25 <sup>4</sup>

<sup>1</sup> The Offer is for up to 60,000,000 Shares to be issued for a total consideration of 25 cents each, to be satisfied in full on application, but the Directors have the ability to accept applications for up to a further 20,000,000 Shares ("Additional Shares") at 25 cents each, to be satisfied in full on application, making a maximum number of Shares being offered under this Offer of 80,000,000.

<sup>2</sup> If all Shares (including the Additional Shares) are subscribed for, the Shares on issue (post issue) will be 80,000,001.

<sup>3</sup> If all Shares (including the Additional Shares) are subscribed for, the Warrants on issue (post issue) will be 31,633,332.

<sup>4</sup> If all Shares (including the Additional Shares) are subscribed for, the Market Capitalisation at Issue Price will be \$20,000,000.25.

Warrant Exercise Price for Warrants other than Founder Warrants	25 cents
Warrant Exercise Price for Founder Warrants	30 cents

## 4 KEY DATES

Prospectus Registered	2 June 2006
Opening Date of Offer <sup>1</sup>	5 June 2006
Closing Date of Offer <sup>1</sup>	21 June 2006
Anticipated Issue and Allotment of Shares	22 June 2006
Holder Statements sent to Shareholders	23 June 2006
Expected Quotation & Trading on the NZAX	23 June 2006

<sup>1</sup> Viking Capital Limited reserves the right to vary the Opening Date and/or the Closing Date (subject to the requirements of NZX).



## 5 DETAILS OF THE OFFER

### The Offer

Viking Capital Limited ("Viking Capital" or "the Company") is seeking to raise \$15,000,000 (as a combination of cash, Listed Equity Securities and Other Assets and/or Contracts) by offering for subscription 60,000,000 Shares at an Offer Price of 25 cents per Share, to be satisfied in full on application, but the Directors have the ability to accept applications for up to a further 20 million Shares ("Additional Shares"), also at an Offer Price of 25 cents per Share.

Shares issued pursuant to the Offer will have attached to them Warrants on the basis detailed below.

The Offer will not proceed unless subscriptions are received for the 31,666,668 Shares described in paragraphs (a) to (c) immediately below, following allocations in accordance with those paragraphs.

### Shares

60,000,000 Shares in Viking Capital Limited are offered at 25 cents per Share, to be satisfied in full on application.

The Shares are offered and reserved for firm allocation as follows:

- (a) 20,000,000 Shares for Brent King and/or persons associated with him (see page 7 for further details), to be subscribed for in cash and/or by transferring Listed Equity Securities to the Company, provided that Shares with an aggregate Offer Price of at least \$500,000 must be subscribed for in cash;
- (b) 6,666,668 Shares for Grant Baker and/or persons associated with him (see page 7 for further details), to be subscribed for in cash and/or by transferring Listed Equity Securities to the Company, provided that Shares with an aggregate Offer Price of at least \$200,000 must be subscribed for in cash;
- (c) 5,000,000 Shares for persons other than the persons described in (a) and (b) above, to be subscribed for in cash; and
- (d) up to 28,333,332 Shares for persons other than the persons described in (a) and (b) above, to be subscribed for in cash and/or by transferring Listed Equity Securities to the Company and/or by transferring Other Assets and/or Contracts to the Company.

The Directors have the ability to accept applications from persons other than Brent King and Grant Baker and persons associated with them for up to a further 20 million Shares, being the Additional Shares, at 25 cents per Share, to be satisfied in full on application in cash and/or by transferring Listed Equity Securities to the Company and/or by transferring Other Assets and/or Contracts to the Company.

Listed Equity Securities and Other Assets and/or Contracts are defined in the Glossary on page 27.

Any Listed Equity Securities transferred to the Company to satisfy the subscription price for the Shares must be transferred to the Company at a price equal to their average closing price over the 20 Business Days before the Closing Date, discounted by 5%.

Any Other Assets and/or Contracts transferred to the Company to satisfy the subscription price for Shares must be:

- (a) assets and/or contracts in which none of the Directors is interested (as defined in section 139 of the Companies Act 1993) except only as a director of another party to, or as a director of a person who will or may derive a benefit from the transaction;
- (b) transferred to the Company at their current market valuation at the date of transfer as assessed by the Directors in their opinion, discounted by 5%.

The types of Other Assets and/or Contracts that may be accepted as consideration for the subscription for Shares is not presently known and therefore no indication can be given as to the likely composition of any Other Assets and/or Contracts that might be accepted by the Company.


Shares to be subscribed for:


- (a) in cash, form part of the Cash Offer;
- (b) by transferring Listed Equity Securities to the Company, form part of the Equity Conversion Offer;
- (c) by transferring Other Assets and/or Contracts to the Company, form part of the Other Assets and/or Contracts Offer.

### Warrants

Shares issued pursuant to the Offer will have attached to them Warrants on the following basis:

- (a) the following Founder Warrants are to be issued to Brent King and/or persons associated with him and Grant Baker and/or persons associated with him in recognition of their efforts in establishing and promoting the Company:

 10,000,000 Warrants to Brent King and/or persons associated with him;

 3,300,000 Warrants to Grant Baker and/or persons associated with him;

**The Warrant Exercise Price for each Founder Warrant is 30 cents (the Warrant Exercise Price for all other Warrants is 25 cents) – see below for further details.**

- (b) in addition, all subscribers (including Brent King and/or persons associated with him and Grant Baker and/or persons associated with him) will receive 1 Warrant for every 6 Shares issued.

A further 5,000,000 Warrants will be issued by the Company on completion of the Offer and held in trust for allocation at the Company's discretion, not earlier than July 2006 and not later than the earlier of 3.00pm on 1 October 2008 or the day determined pursuant to clauses 6.1 (relating to takeovers) and 6.3 (relating to compulsory acquisition of shares) of the Conditions of Warrants to be the last day by which the Warrants must be exercised, to any of the Company's non-executive directors, advisers and business associates, but may not be allocated to Mr King or Mr Baker or any member of their respective families or their Affiliates.

Cont...



## 5 DETAILS OF THE OFFER

All registered holders of Warrants will be entitled to subscribe for 1 Share for every Warrant held on payment of the Warrant Exercise Price, which is 30 cents for each Founder Warrant and 25 cents for each other Warrant.

Warrants may be transferred separately from the Shares.

The Warrants will be exercisable by notice in writing to the Company or its Share Registrar at any time up to the earlier of 3.00pm on 1 October 2008 or the day determined pursuant to clauses 6.1 (relating to takeovers) and 6.3 (relating to compulsory acquisition of shares) of the Conditions of Warrants to be the last day by which the Warrants must be exercised, and must be accompanied by payment of the exercise price in cleared funds.

### Application Instructions

Applications must be for a minimum of 2,000 Shares and thereafter in multiples of 1,000 Shares.

Applications for Shares and Warrants must be made on the Application Form contained in this Prospectus and in accordance with the Application Instructions set out on page 29. Completed Application Forms, together with the consideration for the issue price, must be sent to Viking Capital Limited c/- The Share Registrar, Computershare Investor Services Limited. Applications for Shares and Warrants, together with the consideration for the issue price, must be received by the Share Registrar before 5pm on the Closing Date, or lodged with a Primary Market Participant, in time for such applications to be received by the Share Registrar before 5pm on the Closing Date. Applications cannot be withdrawn or revoked.

### Allotments

The Company reserves the right to reject any application, or accept any application in part only, without giving a reason. This includes the right reserved by the Company to reject any Listed Equity Securities or Other Assets and/or Contracts offered to the Company as consideration for Shares applied for under an application, without giving any reason. Computershare Investor Services Limited, who will receive the application forms and application funds under the Offer, will hold those funds on trust until allotment of the Shares and the Warrants. Allotment will occur within 3 Business Days of the Closing Date, or any extension thereof. Any interest generated on application funds held by or for the Company, shall be for the account of the Company, except as required by the Securities Act 1978. Any application monies refunded will be refunded to applicants within 10 Business Days of the Closing Date. No interest will be paid on refunds.

### Listing

Application has been made to NZX for permission to list the Shares and the Warrants on the NZAX, and all requirements of NZX relating thereto that can be complied with on or before the date of this Prospectus have been complied with. However, NZX does not accept any responsibility for any statement in this Prospectus. The Shares are expected to be quoted on the NZAX on 23 June 2006.

### Brokerage

Brokerage will be payable to Primary Market Participants and other pre-approved financial intermediaries at the rates of 1.5 to 2% of the Offer Price on all Shares allotted pursuant to valid applications bearing their stamp.

In addition, firm brokerage is payable by the Company at the rate of up to 3% of the Offer Price on all Shares allotted under firm allocation to Primary Market Participants selected by the Company who take firm allocations.

### Share Registrar and Transfers

The Share Registrar for the Shares and Warrants is Computershare Investor Services Limited, Level 2, 159 Hurstmere Road, Takapuna, Private Bag 92119, Auckland.

Transfers of Shares and Warrants can be made by contacting a Primary Market Participant and supplying the appropriate FASTER Identification Number, along with the Holder Number for the Viking Capital Limited Shares.

### Dividend Policy

The Company is intended to be a growth stock and hence the Board does not anticipate paying any significant dividends within the first few years of operation.

The Board will review their dividend policy from time to time taking into consideration the financial position, operating performance, cashflow and capital requirements of the Company.

### No Guarantee

No person guarantees the current or future value of the Shares or Warrants offered in this Prospectus, any return of capital or other returns in relation to the Offer.






## 6 SHAREHOLDING STRUCTURE

On completion of the Offer, assuming the acceptance for all Shares offered (but assuming no over acceptances) the structure of the Company will be as follows:

	Number of Shares	%	Number of Warrants	%
Brent King and/or his associates <sup>1</sup>	20,000,001	33.33	13,333,333	47.11
Grant Baker and/or his associates <sup>1</sup>	6,666,668	11.11	4,411,111	15.59
Company non-executive directors, advisors and associates	-	-	5,000,000	17.67
Other Shares (subscribed for in cash) / Warrants associated with the Offer	5,000,000	8.33	833,333	2.94
Other Shares (subscribed for in cash and/or otherwise than in cash) / Warrants associated with the Offer	28,333,332	47.22	4,722,222	16.69
	<b>60,000,001<sup>2,4</sup></b>	<b>100.00</b>	<b>28,299,999<sup>3</sup></b>	<b>100.00</b>





<sup>1</sup> Brent King and Grant Baker are also treated as being associates of each other for the purposes of this Prospectus.

The 20,000,000 Shares reserved for firm allocation to Brent King and/or persons associated with him to be allotted as follows:

-  19,600,000 Shares to Snowdon Peak Investments Limited;
-  200,000 Shares to Brent Douglas King;
-  40,000 Shares to each of Chloé Catherine Elizabeth King, James Richard Douglas King, Katie Jane Claire King, Marcus King, and Catherine Diane Mary Burkhart.

The 6,666,668 Shares reserved for firm allocation to Grant Baker and/or persons associated with him are to be allocated to Grant Keith Baker, Donna Jean Baker and Paul Anthony Smithies as trustees of the Baker Investment Trust.

Under the minimum subscription of 31,666,668 Shares required for the Offer to proceed, the potential maximum aggregate of the control percentages (being the percentages of voting rights in Viking Capital held or controlled) for each of the people listed above, after the completion (and as a result) of allotments pursuant to the Offer is as follows:

-  61.89% for Snowdon Peak Investments Limited;
-  0.63% for Brent Douglas King;
-  0.13% for each of Chloé Catherine Elizabeth King, James Richard Douglas King, Katie Jane Claire King, Marcus King, and Catherine Diane Mary Burkhart;
-  21.05% for Grant Keith Baker, Donna Jean Baker and Paul Anthony Smithies as trustees of the Baker Investment Trust.

The potential maximum aggregate of the control percentages for each of the people listed above, being Snowdon Peak Investments Limited,

Brent Douglas King, Chloé Catherine Elizabeth King, James Richard Douglas King, Katie Jane Claire King, Marcus King, Catherine Diane Mary Burkhart, and Grant Keith Baker and Donna Jean Baker and Paul Anthony Smithies as trustees of the Baker Investment Trust, and each such person's associates after the completion (and as a result) of allotments pursuant to the Offer is 84.21% (being the 26,666,668 Shares listed first in the above table, expressed as a percentage of 31,666,668 Shares, being the minimum subscription required for the Offer to proceed).

If any of the persons listed in the preceding paragraph wished to exercise any Warrants they would need to first obtain Shareholder approval in compliance with the requirements of the Takeovers Code, or otherwise exercise Warrants in a manner that complies with the Takeovers Code.

None of the persons referred to in this note guarantees the Shares or Warrants offered under this Prospectus.

2 The Offer is for up to 60,000,000 Shares to be issued for a total consideration of 25 cents each, to be satisfied in full on application, but the Directors have the ability to accept applications for up to a further 20,000,000 Shares ("Additional Shares") at 25 cents each, to be satisfied in full on application, making a total number of Shares offered under this Offer of up to 80,000,000.

3 If all Shares (including the Additional Shares) are subscribed for, the Warrants on issue (post issue) will be 31,633,332.

4 Contemporaneously with this Offer, and in addition to the maximum of 80,000,000 Shares that may be subscribed for under the Offer, the Company is proposing to issue 4,500,000 Shares to Viking Share Plan Trustee Limited as trustee for Participants in the Viking Share Ownership Plan described at page 9, to assist the Company and its Subsidiaries to attract and retain, on a long term basis, Directors and key employees and persons who provide personal services (other than as employees).



## 7 SHARE SELLING RESTRICTIONS

Brent King and Grant Baker have entered into Security Agreements with the Company under which each of them has agreed on behalf of himself and his Affiliates that during the 12 month period following the Date of the Prospectus they will not sell or otherwise dispose of any part of their shareholding in the Company that is subscribed for under the Equity Conversion Offer.

These Security Agreements also contain agreements by each of those persons, on behalf of himself or his Affiliates, in relation to that part of their shareholding in the Company that is subscribed for under the Cash Offer, that:

- during the first six months after the Date of the Prospectus they will not sell or otherwise dispose of any such Shares;
- during the following six months they will not sell or otherwise dispose of more than half of such Shares.

Each other investor who subscribes under the Equity Conversion Offer and/or the Other Assets and/or Contracts Offer will, pursuant to its Application, authorise the Company, as its attorney, to sign a Security Agreement with the Company, under which that investor agrees in relation to any part of its shareholding in the Company that is subscribed for under the Equity Conversion Offer and/or the Other Assets and/or Contracts Offer, that:

- during the first six months after the Date of the Prospectus the investor will not sell or otherwise dispose of any such Shares;
- during the following six months the investor will not sell or otherwise dispose of more than half of such Shares.

The above restrictions will not apply to investors (other than Brent King and Grant Baker and/or persons associated with either of them) in relation to any part of their shareholding in the Company that is subscribed for under the Cash Offer.

None of the above restrictions apply in respect of takeovers (and other similar schemes or arrangements), or sales or transfers by a person of any or all of their Shares to any Affiliate or, in the case of Brent King and/or persons associated with him, to Grant Baker and/or persons associated with him, and vice versa, or sales or transfers of the Shares of any person or that person's Affiliates made following the death of that person by or at the direction of the successors or personal representatives of the relevant person.

The Company may release an investor from the above restrictions. However, the approval for such release may only be given by the Directors of the Company who do not have an interest in the proposed dealing i.e. by non-interested directors. Those directors must take into account the following factors in making their decision:

- the performance of the Shares for the period from the date of quotation to the date of the proposed dealing for which consent is sought;
- the demand for the Company's Shares; and
- the potential for the Company's share price to be unduly adversely affected by the proposed dealing.



## 8 VIKING SHARE OWNERSHIP PLAN

The Company has put in place a share ownership plan, known as the Viking Share Ownership Plan ("Share Plan"), that would be available at the discretion of the Board to Participants comprising persons who are or are proposed to be Directors, employees of or persons who provide personal services (other than as employees) principally to the Company and/or any of its Subsidiaries, and who are selected by the Board (the number of Shares offered to Directors under the Plan would be limited to 25% of the Shares offered).

The Directors consider the Share Plan will play a significant role in assisting the Company and its Subsidiaries to attract and retain, on a long term basis, Directors and key employees and persons who provide personal services (other than as employees) principally to the Company and/or any of its Subsidiaries. The Share Plan also helps to align the interests of Directors, employees and other persons providing personal services principally to the Company and/or any of its Subsidiaries with those of Shareholders.

The key terms of the Share Plan are:

- ✎ the Company will issue 4,500,000 ordinary Shares in the Company for subscription on the closing of the Offer by Viking Share Plan Trustee Limited ("the Trustee"), a company formed to act as trustee for Participants;
- ✎ the number of Shares offered to each Participant would be decided by the Board of Directors, having regard to the actual or potential performance of the Participant;
- ✎ Participants would have up to 1 month to accept the offer, and the issue would be completed within 12 months of the Closing Date;
- ✎ the Shares would be issued at the volume weighted average price of the Company Shares traded through NZAX in the 10 Business Day period prior to the date of Board approval of the offer of Shares to Participants;
- ✎ interest free loans equal to the total subscription price would be made available to those Participants to whom Shares are offered;
- ✎ the Shares would be held by the Trustee pending repayment of the interest free loan;
- ✎ the loans would be made available for a term not greater than 5 years;
- ✎ Participants would, at their discretion, be entitled to repay their interest free loans at any time after 18 months following the issue of the relevant Shares and then take unrestricted title to their Shares;

- ✎ should Participants (other than non-executive directors) cease to be employed or otherwise engaged by the Company or any of its Subsidiaries within 18 months of their Shares being issued they will be obliged to repay their loans and, at the option of the Company, the Shares will either be transferred to them or purchased by the Trustee at the lesser of the then market price and the issue price of the Shares;
- ✎ should Participants (other than non-executive directors) cease to be employed or otherwise engaged by the Company or any of its Subsidiaries after 18 months of their Shares being issued they will be obliged to repay their loans and, at the option of the Participant, the Shares will either be transferred to them or purchased by the Trustee at the lesser of market price and the issue price of the Shares;
- ✎ should a non-executive director cease to hold office he or she will be obliged to repay the loan in full;
- ✎ Shares purchased by the Trustee from Participants may be sold by the Trustee.

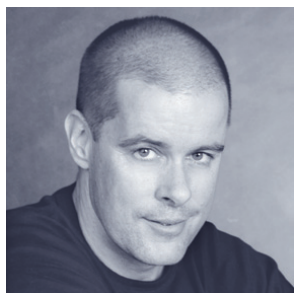


## 9 BOARD



### **Brent King**

Brent King was the founder and, until recently, the Managing Director of the Dorchester Group of companies. Brent holds a number of public and private directorships including being a Director of 42 Below Limited, Charlie's Group Limited and Finzsoft Limited. He is also the Chairman of Directors of Auckland Cricket Association. Brent has more than 20 years experience in financial, investment banking, underwriting, capital raising and accounting areas and has assisted a number of public and private companies.



### **Grant Baker**

Grant Baker served as Chairman and founding director of Netco Limited, the EFTPOS retailer that he successfully developed and sold to Provenco Group Limited. He was Chairman and principal shareholder in Empower Limited before its sale to Contact Energy. He is currently Executive Chairman of NZSX listed company 42 Below Limited. Mr Baker has also served in a number of senior business positions, including Chief Executive of Blue Star Office Automation and Ubix Business Machines. He was on the Board of Blue Star Group and a major shareholder.



### **Sir William Birch**

Sir William began his career in 1957, when he established a private practice as a surveyor in Pukekohe. His keen interest in community affairs led to six years as Deputy Mayor of Pukekohe and election to Parliament in 1972. During his 27 years in Parliament he served for 15 years as a Minister of the Crown. His portfolios included Energy, Labour, State Services, Health, Employment and six years as Minister of Finance between 1993 and 1999.

Since 1999, Sir William has operated a private consultancy. As a member of the ABN AMRO Australia and New Zealand Advisory Council he is involved with the ABN AMRO group of companies in an advisory capacity on business transactions. He is currently a director of a number of public and private companies including Freightways Limited, St George Bank New Zealand Limited, William Birch Consulting Limited and is a trustee of MFL Mutual Fund Limited and Superannuation Investments Limited.

Sir William was knighted by the Queen for public services in 1999.



# 10 MANAGEMENT

## Agreements

The investments of Viking Capital are to be managed pursuant to Management Agreements comprising:

- ✎ A Founders' Contract between Viking Capital, Mr King and Mr Baker; and
- ✎ An Employment Agreement between Viking Capital and Mr King;

both of which are described below.

Viking Capital is heavily reliant on the investment skills of Mr King, although the Company will look to engage others with complimentary skills over time.

## Term

The Founders' Contract is for a period of 5 years, renewable thereafter for further periods of 5 years by mutual agreement between the Company, Mr King and Mr Baker.

The Employment Agreement is for an initial period of 5 years and thereafter continues in force until terminated in accordance with its terms. Under the Employment Agreement the Company may summarily dismiss Mr King in the event that he is guilty of serious misconduct or guilty of any serious breach of the Employment Agreement and in certain other circumstances. Mr King may terminate the Employment Agreement by giving 3 months notice in writing of termination to the Company.

## Founders' Contract

Under the Founders' Contract Viking Capital has engaged Mr King and Mr Baker to advise on special projects, on terms and conditions that reward them for achieving certain growth targets for the Company.

Specifically, under the Founders' Contract, if and when and each time that each of the following measures of size, being:

- ✎ the shareholders funds of the Company; and
- ✎ the market capitalisation of the Company;

reaches certain milestones by certain prescribed dates as set out below, then the Company shall pay Mr King and Mr Baker (collectively) a fee equal to 1.5% of the relevant milestone amount for the relevant measure of size (i.e. a fee at the said rate of 1.5% is payable in respect of each measure of size upon it reaching each milestone by the prescribed date).

Milestone – applying to each of Shareholders Funds and Market Capitalisation separately

Prescribed Date

\$20 million	30 September 2006
\$25 million	31 March 2007
\$30 million	31 March 2008
\$50 million	31 March 2009
\$75 million	31 March 2010
\$100 million	31 March 2011
\$150 million	31 March 2013

For these purposes:

- ✎ shareholders funds of the Company as at any prescribed date shall mean the amount that is to be disclosed as equity (whether described as equity, shareholders funds or otherwise) by the Company in its group financial statements published or to be published in respect of a balance date which is that prescribed date;
- ✎ market capitalisation means the average end-of-day market capitalisation of the Company's equity securities carrying votes over the 20 business days during the period of 40 business days immediately preceding the prescribed date on which that end-of-day market capitalisation was at its highest during that period.

In the event that the Company achieves a milestone by the prescribed date, then the Company shall pay the relevant fee for reaching that milestone, within 30 days of the relevant prescribed date.

75% of any such fee has to be paid to or at the direction of Mr King, and the remaining 25% is to be paid to or at the direction of Mr Baker.

All such fees (after deduction and payment of tax thereon) shall, instead of being paid to the order of Mr King and Mr Baker, be applied, to exercise Warrants held by Mr King and Mr Baker or their associates and pay the subscription price payable on the exercise of those Warrants (except where those Warrants are not able to be exercised, whether due to restrictions imposed by the Takeovers Code or otherwise, in which case the relevant fees (net of tax) shall be paid to the order of Mr King and Mr Baker respectively).

Cont...



# 10 MANAGEMENT

## Employment Agreement

Under the Employment Agreement the Company has employed Brent King as its Managing Director for an initial term of 5 years commencing on 1 June 2006 and expiring on 31 May 2011 at a salary of \$125,000 per annum for the first year, \$225,000 per annum for the second year, and then reviewable annually (any change must be by agreement between the Company and Mr King) and which:

- ✎ requires Mr King to devote such time and attention to the Company's business as is necessary to enable proper performance, having regard to his other business and private interests;
- ✎ entitles Mr King to have the Company provide him with a motor vehicle owned by the Company with a value up to \$120,000 as agreed by the Company and Mr King;
- ✎ entitles Mr King to 8 weeks annual paid leave;
- ✎ contains other terms and conditions assessed by the Board to be in line with other contracts of its type (a copy of the contract may be viewed on the Companies Office website, [www.companies.govt.nz](http://www.companies.govt.nz)).

Under the Employment Agreement Mr King is to be rewarded for achieving profitability targets for the Company, as detailed below.

Specifically, under the Employment Agreement the Company is obliged to pay to the order of Mr King a return on capital fee for each financial year of the Company, commencing with the financial year ending on 31 March 2007, equal to 5% of the amount by which the net profit before tax for the Company for the relevant financial year as disclosed in the Company's accounts published or to be published for that financial year exceeds a return on shareholders funds for the Company for that financial year calculated as at the beginning of that financial year at a rate equal to the average bank bill buy rate quoted by the Company's bankers for the financial year in question (calculated on a daily basis) plus 7% per annum provided that the shareholders funds for the Company calculated as at the beginning of the financial year ending on 31 March 2007 shall be the shareholders funds for the Company immediately following the allotment of Shares issued pursuant to the Offer.

For the purpose of calculating the above fee, the calculation of net profit before tax for the financial year ending 31 March 2007 shall be the net profit before tax for the period during that financial year in which the Company operates, annualised over the whole financial year.

## Other terms

The Management Agreements set out the terms of the relevant appointments and copies of the Management Agreements are available for inspection during normal business hours at the registered office of the Company at the offices of Minter Ellison Rudd Watts, Level 20, Lumley Centre, 88 Shortland Street, Auckland.

Under the Management Agreements Mr King is responsible for making recommendations as to the investment of the Company's funds and, subject to direction from the Board, for implementing investment decisions made by the Board in accordance with the Investment Policy and managing the Company's investments.

The Investment Policy will be as adopted by the Board from time to time. As at the Date of the Prospectus, the Investment Policy for Viking Capital is as described on page 13 under the headings "Investment Philosophy" and "Investment Criteria".

Under the Management Agreements Mr King is given certain powers so as to be able to discharge his duties. These powers include the powers to make recommendations on the investment of the Company's funds and the divestment of its investments. Also, he has the power under the Management Agreements to make recommendations in relation to capital raisings and the incurrence of indebtedness. In exercising these powers he must act bona fide in the best interests of Viking Capital at all times and comply with all laws and regulatory provisions.

GST is payable on all fees payable under the Management Agreements.

## Disclosures of Interest

If either Mr King or Mr Baker is interested in any dealings involving the Company then he must first disclose his interest to the Board of the Company.

## Termination

Each of the Management Agreements may be terminated by either party in the following circumstances:

- ✎ If there is a material breach of the Management Agreement by the other party;
- ✎ In the case of the Company, if the other party has been grossly negligent in the performance of his duties or if he dies, or becomes permanently incapacitated or otherwise is unavailable to act for a period of more than six months;
- ✎ The liquidation, receivership or other act of insolvency of the other party.

## Confidentiality

Under the Management Agreements Mr King and Mr Baker are obliged to keep Viking Capital's information confidential.

The above details provide a summary of the Management Agreements. Investors who want further information about the Management Agreements should refer to the Management Agreements. Copies of the Management Agreements have been filed at the Companies Office at Auckland and may be viewed on the Companies Office website at [www.companies.govt.nz](http://www.companies.govt.nz). Copies of the Management Agreements are also available from the Company's registered office.



# 11 INVESTMENT ACTIVITIES

## Investment Rationale

Viking Capital has been established to take advantage of the significant change the Company anticipates for the economy in the foreseeable future.

Our perception is that asset and business values have been bid up across various sectors of the economy. We expect this to plateau and be followed by significant restructuring and rationalisation with an associated downwards re-rating of asset and business values.

In particular, we believe that, in New Zealand, the benefits gained from de-regulation in the 1980's and the prudence of the 1990's have been largely squandered in the 2000's on expenditures that have contributed to inflated asset values.

In our view, asset values have increased significantly since the beginning of the new millennium as a result of increased consumption fuelled by overwhelming consumer confidence.

These increased asset values have in turn provided consumers with further consumption capacity. This spending has translated into profits for businesses and revenues for governments in the form of taxes, further contributing to consumption expenditures and increases in asset values.

As a consequence, we believe that some of the prices paid for assets and businesses in New Zealand in recent times have been exorbitant.

Viking Capital's expectation, therefore, is that asset values in various sectors will plateau and that significant restructuring and rationalisation will take place within these sectors with an associated downwards re-rating of asset and business values.

We believe this re-rating process is likely to be reinforced in New Zealand by a slow down of inwards migration and capital inflows, as other international markets become more attractive.

Just as consumer demand has bid asset values up to levels we consider unrealistic, we see the asset and business re-rating process working in reverse such that certain assets become undervalued.

In our view, over the next five years, this asset and business re-rating process is likely to be the key investment dynamic in the New Zealand economy, which we otherwise see as catching its breath.

Accordingly, we believe this will mean that the main investment opportunities presenting themselves in New Zealand and elsewhere over the next five years will arise out of this downwards re-rating of asset and business values.

In New Zealand over the next five years, Viking Capital believes the way to create wealth and make money is to adapt and take best advantage of this asset and business re-rating process.

## Investment Philosophy

Viking Capital's aim is, quite simply, to build significant shareholder value.

The Company will look to do this by identifying assets and businesses it considers:

- ✎ Have a market value that the Company assesses to be less than their proper value;
- ✎ Can be expected to significantly increase in value as a consequence of restructuring and rationalisation.

Company policy is that key personnel should be shareholders in the Company and should be incentivised around wealth creation for shareholders.

Key personnel, Brent King and Grant Baker, who are to be key shareholders, are quality assets with proven business experience. Together, they provide Viking Capital with a powerful strategic advantage (neither of these persons guarantees the Shares or Warrants offered under this Prospectus).

The Company's third key person is Sir William Birch who has extensive financial and governance experience, and who also intends to subscribe for Shares under the Offer (Sir William Birch does not guarantee the Shares or Warrants offered under this Prospectus).

Viking Capital intends to have a stream-lined, hands on, management structure that rewards performance.

## Investment Criteria

Viking Capital intends that its major investment focus will be New Zealand, but funds may be invested in overseas markets.

The Company intends to operate with a broad, flexible and aggressive investment mandate designed to access investments that assist the Company to produce superior returns.

Viking Capital will utilise the proven business experience its key personnel have in originating, executing, managing and adding value to investment opportunities.

The Company believes that the skills and experience of its key operatives give Viking Capital a competitive advantage in the speed with which it is able to mobilise its resources to evaluate and exercise investment opportunities.

In regards to target investments, Viking Capital will not look to place any restrictions. Investments may include both majority and minority equity stakes in companies, and investments in other security instruments and other assets, such as real estate and mortgages.

The Company will also not look to place any limits on the amount of individual investments or to restrict the size of its investments.



# 11 INVESTMENT ACTIVITIES

Viking Capital will generally look to secure a significant influence over the strategy, management and financial direction of the businesses in which the Company invests.

Despite the broad investment mandate, the Company may invest a substantial portion of its funds in a single opportunity or in a single sector.

However, the Company will operate under an investment mandate that does not impose any limits on the classes of possible assets and jurisdictions that the Company may invest in.

Viking Capital will also consider investment banking projects where fee income is derived through a combination of underwriting, structuring and financial assistance.

Brent King, operating under the Management Agreements, and other personnel will recommend investment opportunities to the Company, based on their own research, which may be supplemented by independent valuation reports if considered appropriate.

All Investment (and divestment) decisions will be made by the Board of the Company. The Board will make investment (and divestment) decisions based on proposals put to it pursuant to the Management Agreements, its own experience, and, if considered necessary, reports from third parties.

## Investment Strategy

Viking Capital may acquire its investments with cash, the issue of Shares or other securities to the vendor, or such other forms it considers appropriate.

Viking Capital will look to grow its asset base and purchasing power quickly, and intends to raise further capital from equity and debt issues in the future.

Viking Capital will hold its investments, either directly or indirectly through single purpose subsidiaries.

Mr King and other management personnel will be responsible for managing Viking Capital's investments under the Management Agreements, the principal terms of which are summarised on pages 11 and 12.

In relation to Investee Companies the Company will usually seek:

- ✎ Board representation;
- ✎ Input into strategic and management decision making;
- ✎ Contact with the Investee Company's suppliers, customers and advisors; and
- ✎ Results of business operations and financial reports.

Viking Capital intends to hold its investments on a long term basis, but may sell earlier if that is considered appropriate in the circumstances so as to maximise shareholder value.

The Board has been advised that any gains made upon realisation of long term investments would not ordinarily be expected to be subject to tax in the hands of the Company under existing New Zealand tax legislation. However, there are some exceptions to this. Also, in relation to investments outside New Zealand the general rule is that unrealised gains as well as realised gains and any distributions will constitute taxable income (although unrealised gains on investments in "grey list" countries are not taxed). However, the tax rules relating to the taxation on investments are proposed to change on 1 April 2007. Investors should therefore obtain independent advice in relation to taxation, including their own tax position.

## Attractive Investment Returns

Viking Capital is not intended to be an income stock.

Rather, Viking Capital aims to provide its investors with a growth stock that maximises returns over the medium term.



# 12 CONDITIONS OF WARRANTS

Set out below are the conditions which apply to the Warrants.

## 1. DEFINITIONS

The following definitions apply to the Warrants:

“**Board**” means the board of directors of the Company;

“**Business Day**” means a day on which the NZAX is open for trading;

“**Company**” means Viking Capital Limited;

“**Conditions**” means these conditions of Warrants;

“**Exercise Date**” means any date up to the Expiry Date;

“**Exercise Period**” means any time up to, and ending on, the Expiry Date;

“**Exercise Price**” means \$0.25 for each Share in respect of which a Warrant (other than a Founder Warrant) is exercised, and \$0.30 for each Share in respect of which a Founder Warrant is exercised, subject to adjustment in accordance with clauses 7 and 8;

“**Expiry Date**” means the earlier of 3.00pm on 1 October 2008 or the day determined pursuant to clauses 6.1 and 6.3 to be the last day by which the Warrants must be exercised;

“**Group**” means the Company and each of its subsidiaries;

“**Independent Expert**” means an investment banker, chartered accountant or other financial adviser (in each case, being appropriately qualified having regard to the purpose of the appointment) selected by the Board and approved by either the Takeovers Panel, NZX, or the chairperson for the time being of the Institute of Chartered Accountants of New Zealand as in the opinion of the Board may be appropriate to the circumstances;

“**Interest Group**” has the meaning set out in section 116 of the Companies Act 1993, amended so that references to “Shares” and “Shareholders” shall be read as “Warrants” and “Warrantholders”;

“**Listing Rules**” means the Listing Rules of NZAX, as amended or varied from time to time;

“**NZAX**” means the New Zealand Alternative Market;

“**NZX**” means New Zealand Exchange Limited;

“**Record Date**” means the date fixed by the Company, in accordance with the Listing Rules, for the determination of those Shareholders who are entitled to receive any interim or final dividend or other distribution from the Company;

“**Securities**” shall have the same meaning as in the Securities Act 1978;

“**Shareholders**” means the holders of the Shares;

“**Share**” means an ordinary share in the Company;

“**Share Registrar**” means Computershare Investor Services Limited;

“**Warrant**” means one warrant to purchase one Share in accordance with these Conditions of Warrants; and

“**Warrantholder**” means, at any time, each person whose name is entered from time to time in the register maintained by the Company as a holder of Warrants.

## 2. EXERCISE

Each Warrant shall be exercisable during the Exercise Period and also in the circumstances contemplated by, and in accordance with the provisions of, clauses 6.1 and 6.3 by sending or delivering to the Company or its Share Registrar:

- (a) a duly completed notice of exercise of Warrants and application for Shares; and
- (b) a cheque for an amount equal to the Exercise Price multiplied by the number of Warrants being exercised,

so as to be received on or before 3.00pm on the relevant Exercise Date or the day determined pursuant to clauses 6.1 or 6.3 to be the last day by which Warrants must be exercised. The form of the notice of exercise and application for Shares shall be in a form authorised by the Company from time to time, and may be obtained from the Company or its Share Registrar.

## 3. ALLOTMENT OF SHARES

Immediately following the valid exercise of any Warrants pursuant to these Conditions, the Company shall allot to the relevant Warrantholder that number of Shares in respect of which the Warrants are exercised.

All Shares so allotted shall rank in all respects *pari passu* with all other issued fully paid Shares except in respect of any distribution by the Company, the Record Date for which occurs prior to the date such Shares are allotted. Subject to compliance with all regulatory and listing requirements, such Shares shall be quoted on NZAX as soon as practicable following allotment.

## 4. FINAL EXPIRY

Warrants not validly exercised by 3.00pm on the Expiry Date shall lapse. Warrantholders shall have no entitlements or claims against the Company in respect of any Warrant which has lapsed.

## 5. TRANSFER

A Warrant shall be transferable in the same manner, and subject to the same conditions, as a fully paid Share.

## 6. TAKEOVERS AND ADJUSTMENTS

6.1 If, during the currency of any Warrants and prior to their exercise, a bid is made pursuant to the Takeovers Code for Shares, (“a Takeover Offer”), the Company shall (subject to clause 6.2) promptly notify the Warrantholders accordingly. Any Warrantholder may, at any time in the period up to 3.00pm on the 7th day prior to the final day for acceptance of the Takeover Offer elect that all of the Warrants held by that Warrantholder be exercised at the Exercise Price. Any Warrantholder electing to so exercise any such Warrants shall exercise them in accordance with clause 2.

6.2 Clause 6.1 shall not apply if at the same time a Takeover Offer is made, a written offer for Warrants has been made to Warrantholders generally (or to Warrantholders excluding the offeror and persons associated with the offeror) and, in the opinion of an Independent Expert, that offer is at least as favourable to the Warrantholder as if the Warrants had been exercised prior to the Takeover Offer and the Shares arising from the exercise had been subject to the Takeover Offer.

Cont...



# 12 CONDITIONS OF WARRANTS

6.3 If the Company receives notice, whether written or not, that a person or a group of persons has acquired that number of Shares, or any interest therein, which:

- (a) permits that person, or group of persons, to require the remaining Shareholders to sell their Shares to that person, or group of persons, and that person, or group of persons, has elected to so require those Shareholders to sell their Shares; or
- (b) requires that person, or group of persons, to offer to purchase the Shares of the remaining Shareholders,

the Company shall notify all Warrantheolders:

- (c) as soon as practicable, having regard to its obligations at law and under the Listing Rules, of that circumstance; and
- (d) that, in terms of this clause, each Warrantheolder may elect by notice in writing to the Company, at any time in the period up to 3.00pm on the 14th day (or such longer period as the Board may determine) after the dispatch of the notice to the Warrantheolder, to exercise all of that Warrantheolder's Warrants at the Exercise Price. Any Warrantheolder electing to do so shall exercise the Warrants in accordance with clause 2.

## 7. RIGHTS ISSUES

If, during the currency of the Warrants and prior to their exercise, the Company makes any rights issue of Shares to the Shareholders, the Exercise Price shall be adjusted in accordance with the formula set out below:

Exercise Price

$$O^1 = O - \frac{E[P - (S + D)]}{N + 1} \quad \text{Where:}$$

- $O^1$  = the new exercise price of the Warrant;
- $O$  = the old exercise price of the Warrant;
- $E$  = the number of underlying Shares into which one Warrant is exercisable;
- $P$  = the average market price per Share (weighted by reference to volume) of Shares during the five Business Days ending on the day before the record date (as defined in the Listing Rules) for that new issue;
- $S$  = the subscription price for the Share under the new issue;
- $D$  = the dividend due but not yet paid on the existing Shares (except those to be issued under the new issue);
- $N$  = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

The necessary adjustment shall be determined by the Board by applying the above formula. The Board's determination shall, in the absence of manifest error, be binding on all Warrantheolders and other persons.

If application of any modified conversion ratio would result in a fraction of a Share being issued to a Warrantheolder, the number of Shares to be issued to that Warrantheolder shall be rounded down to the nearest whole number.

## 8. OTHER CAPITAL RECONSTRUCTIONS

If, during the currency of the Warrants, and prior to the exercise of the Warrants, there is any:

- (a) amalgamation with another entity; or
- (b) reconstruction of the issued capital of the Company not contemplated by the preceding clause whether by way of a bonus issue involving capitalisation of reserves or distributable profits, or otherwise, to its Shareholders generally (except pursuant to any dividend re-investment plan of the Company then in force or by way of a bonus issue made in pursuance of any election in lieu of dividend);

then the Board may, if it determines (based on reasonable grounds), on the advice of an Independent Expert, that not to do so would confer Warrantheolders an undue benefit or detriment, reconstruct the number of Warrants held, the number of Shares the Warrantheolder is entitled to call for pursuant to the Warrants, or the Exercise Price, or any combination of them in such other manner as the Board determines (acting upon the advice of that Independent Expert) will not result in any benefit being conferred on, or a detriment being suffered by, the Warrantheolder which is not conferred on, or suffered by, the Shareholders generally. Subject to any provisions with respect to rounding of entitlements as sanctioned by the meeting of the Shareholders approving the reconstruction of capital in all other respects the terms for the exercise of the Warrant shall otherwise remain unchanged.

## 9. GENERAL

9.1 Except as provided in these Conditions, no Warrantheolder shall be entitled to participate in any issue by the Company of Securities in the Company or any other company, unless the Board otherwise determines.

9.2 Warrantheolders are entitled to attend meetings of the Shareholders, and to receive copies of all notices, reports and financial statements issued generally to Shareholders. Warrants do not carry any entitlement to vote at any such meeting, except where the constitution of the Company expressly requires that any matter relating to the Company be submitted to Warrantheolders (or any class of Warrantheolders) for approval or authorisation. In those circumstances, Warrantheolders shall, to the maximum extent permitted by the constitution and these terms, vote together as one class with Shareholders and holders of other Securities in the Company.

Cont...



# 12 CONDITIONS OF WARRANTS

9.3 Without limiting clause 9.2, the Company shall:

- (a) within the earlier of:
  - (i) 3 months after the end of each financial year of the Company; and
  - (ii) the date upon which they are provided to Shareholders, provide each Warrantholder with copies of:
    - ✎ the financial statements of the Company for that financial year, each duly audited and signed; and
    - ✎ the consolidated financial statements of the Group for that financial year, each duly audited and signed; and
    - ✎ a copy of the Company's annual report to Shareholders.
- (b) within the earlier of:
  - (i) 2 months after the end of the first half of each financial year of the Company; and
  - (ii) the date upon which they are provided to Shareholders, provide each Warrantholder with copies of:
    - ✎ the unaudited financial statements of the Company for that half-year;
    - ✎ the unaudited consolidated financial statements of the Group for that half-year; and
    - ✎ a copy of the Company's interim report to Shareholders.

9.4 Notwithstanding any other provision of these Conditions:

- (a) the issue by the Company of further Securities or the incurring of other obligations which rank equally with or in priority to existing Warrants, whether as to voting rights, distributions or otherwise;
- (b) the amendment of these terms by the Board in order to comply with the requirements of NZAX, or any legislation;
- (c) the exercise of any power, right or discretion given to the Board or the Company pursuant to these Conditions,

are, for the purposes of these Conditions, the constitution of the Company and the Listing Rules, deemed not to be actions affecting the rights attached to Warrants, and may be undertaken by the Board without the approval of Warrantholders.

9.5 Except as expressly provided elsewhere in these Conditions, these Conditions may only be amended with the consent of the Company (acting through its Board) and with approval of a "special resolution" of Warrantholders passed at a meeting of Warrantholders called for that purpose. The term "special resolution" shall have the same meaning as in the Companies Act 1993 provided that references to "Shareholders" shall be read as references to Warrantholders. Any such amendments shall be binding on all Warrantholders.

9.6 A meeting of the Warrantholders, or the Warrantholders as an Interest Group, may be called by the Board at any time, and shall be called on the written request of persons holding Warrants carrying together not less than 5% of the voting rights entitled to be exercised on any of the questions to be considered at the meeting in question. All the provisions of the constitution of the Company relating to meetings of holders of Shares apply, with all necessary modifications, to such a meeting, except that:

- (a) the necessary quorum is three or more Warrantholders eligible to vote at the meeting present in person or by proxy or representative;
- (b) any Warrantholder, present in person or by proxy or representative, may demand a poll; and
- (c) if the Board so elects, one meeting may be held of Warrantholders constituting more than one group, so long as voting at that meeting is by way of a poll, and proper arrangements are made to distinguish between the votes of members of each group.

9.7 The Company:

- (a) may, in its discretion, if so requested by a Warrantholder or a transferee of Warrants; and
- (b) shall, if so requested by a Warrantholder who produces satisfactory evidence that Warrants held by that Warrantholder are held as bare trustee or nominee and two or more other persons are separate beneficial owners of parcels of those Warrants or have other separate relevant interests in parcels of those Warrants,

cause the Warrants held or acquired by that Warrantholder or transferee to be registered in two or more separately identifiable parcels. The Company may thereafter, so far as it considers convenient or appropriate, communicate with that Warrantholder, make distributions and otherwise act, as if the separate registered parcels are each held by different Warrantholders.

9.8 Clauses 14 and 15 of the constitution of the Company or any equivalent successor provisions, shall be deemed to be applicable to Warrants and to Warrantholders, and to be incorporated into these Conditions, as if the references in those clauses to "Shares" and "Shareholders" were respectively, to "Warrants" and "Warrantholders".



# 13 ANSWERS TO IMPORTANT QUESTIONS

The information in this section is provided in accordance with the Securities Act (NZX – NZAX Market) Exemption Notice 2005.

## What sort of investment is this?

The investment offered by the Company involves a subscription for Shares and Warrants in the Company. Set out below is a brief description of the securities being offered.

### Shares

60,000,000 Shares in Viking Capital Limited are offered at 25 cents per Share to be satisfied in full on application, but the Directors have the ability to accept applications for up to a further 20 million Shares (“Additional Shares”) also at an Offer Price of 25 cents per Share.

The Offer will not proceed unless subscriptions are received for the 31,666,668 Shares described in paragraphs (a) to (c) immediately below, following allocations in accordance with those paragraphs.

The Shares are offered and reserved for firm allocation as follows:

- (a) 20,000,000 Shares for Brent King and/or persons associated with him (see page 7 for further details), to be subscribed for in cash and/or by transferring Listed Equity Securities to the Company, provided that Shares with an aggregate Offer Price of at least \$500,000 must be subscribed for in cash;
- (b) 6,666,668 Shares for Grant Baker and/or persons associated with him (see page 7 for further details), to be subscribed for in cash and/or by transferring Listed Equity Securities to the Company, provided that Shares with an aggregate Offer Price of at least \$200,000 must be subscribed for in cash;
- (c) 5,000,000 Shares for persons other than the persons described in (a) and (b) above, to be subscribed for in cash; and
- (d) up to 28,333,332 Shares for persons other than the persons described in (a) and (b) above, to be subscribed for in cash and/or by transferring Listed Equity Securities to the Company and/or by transferring Other Assets and/or Contracts to the Company.

The Directors have the ability to accept applications from persons other than Brent King and Grant Baker and persons associated with them for up to a further 20 million Shares, being the Additional Shares, at 25 cents per Share, to be satisfied in full on application in cash and/or by transferring Listed Equity Securities to the Company and/or by transferring Other Assets and/or Contracts to the Company.

The maximum number of Shares being offered under this Offer is therefore 80,000,000.

Any Listed Equity Securities transferred to the Company to satisfy the subscription price for the Shares must be transferred to the Company at a price equal to their average closing price over the 20 Business Days before the Closing Date, discounted by 5%.

Any Other Assets and/or Contracts transferred to the Company to satisfy the subscription price for Shares must be:

- (a) assets and/or contracts in which none of the Directors is interested (as defined in section 139 of the Companies Act 1993) except

only as a director of another party to, or as a director of a person who will or may derive a benefit from the transaction;

- (b) transferred to the Company at their current market valuation at the date of transfer as assessed by the Directors in their opinion, discounted by 5%.






The types of Other Assets and/or Contracts that may be accepted as consideration for the subscription for Shares is not presently known and therefore no indication can be given as to the likely composition of any Other Assets and/or Contracts that might be accepted by the Company.

Shares to be subscribed for:

- (a) in cash, form part of the Cash Offer;
- (b) by transferring Listed Equity Securities to the Company, form part of the Equity Conversion Offer;
- (c) by transferring Other Assets and/or Contracts to the Company, form part of the Other Assets and/or Contracts Offer.



Applications must be for a minimum of 2,000 Shares and thereafter in multiples of 1,000 Shares.

Each Share in the Company gives the holder the right to:

-  Attend and vote at a meeting of the Shareholders of the Company, including the right to cast one vote per Share on a poll.
-  Receive an equal share in dividends paid by the Company.
-  Receive an equal share in the distribution of the surplus assets in any liquidation of the Company.
-  Be sent certain information about the Company.
-  Enjoy the other rights as a Shareholder conferred by the Companies Act 1993 and the constitution of the Company.

### Warrants

Shares will have attached to them Warrants on the following basis:

- (a) the following Founder Warrants are to be issued to Brent King and/or persons associated with him and Grant Baker and/or persons associated with him in recognition of their efforts in establishing and promoting the Company:
  -  10,000,000 Warrants to Brent King and/or persons associated with him;
  -  3,300,000 Warrants to Grant Baker and/or persons associated with him;

**The Warrant Exercise Price for each Founder Warrant is 30 cents (the Warrant Exercise Price for all other Warrants is 25 cents) – see below for further details.**

- (b) in addition, all subscribers (including Brent King and/or persons associated with him and Grant Baker and/or persons associated with him) will receive 1 Warrant for every 6 Shares issued.

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# 13 ANSWERS TO IMPORTANT QUESTIONS

A further 5,000,000 Warrants will be issued by the Company on completion of the Offer and held in trust for allocation at the Company's discretion, not earlier than July 2006 and not later than 1 October 2008 or the day determined pursuant to clauses 6.1 (relating to takeovers) and 6.3 (relating to compulsory acquisition of shares) of the Conditions of the Warrants to be the last day by which the Warrants must be exercised, to any of the Company's non-executive directors, advisers and business associates, but may not be allocated to Mr King or Mr Baker or any member of their respective families or their Affiliates.

All registered holders of Warrants will be entitled to subscribe for 1 Share for every Warrant held on payment of the Warrant Exercise Price, which is 30 cents for each Founder Warrant and 25 cents for each other Warrant.

Warrants may be transferred separately from the Shares.

A Warrant gives the Warrantheader the right to purchase an ordinary Share in the Company for the Warrant Exercise Price at any time up to the earlier of 3.00pm on 1 October 2008 or the day determined pursuant to clauses 6.1 (relating to takeovers) and 6.3 (relating to compulsory acquisition of shares) of the Conditions of the Warrants to be the last day by which the Warrants must be exercised, and must be accompanied by payment of the exercise price in cleared funds.

A Warrantheader has the right to attend Shareholder meetings but will not have the right to vote at such a meeting as a Shareholder unless and to the extent that the Listing Rules or the constitution of the Company require Warrantheaders to participate in a vote of Shareholders.

A Warrantheader has the right to receive certain information about the Company.

The Warrant Exercise Price may change in certain circumstances as set out in clauses 7 and 8 of the Conditions of Warrants, being a change in the capital structure of the Company or a reorganisation of the Company.

The Conditions of Warrants can be found on pages 15 to 17.

The maximum number of Warrants being offered under this Offer is 31,633,332.

## Activities

Viking Capital Limited aims to raise up to \$15,000,000 (as a combination of cash, Listed Equity Securities and Other Assets and/or Contracts) with provision for oversubscription, that would take the total amount to \$20,000,000 (as a combination of cash, Listed Equity Securities and Other Assets and/or Contracts) to provide a fund to enable the Company to make investments as determined by the Board of the Company in its discretion from time to time.

## Who is involved in providing it for me?

### The issuer

Viking Capital Limited is the issuer of the Shares and Warrants being offered under this Prospectus.

The address of the Company, being the address of its registered office, is c/- Minter Ellison Rudd Watts, Lumley Centre, 88 Shortland Street, Auckland.

The Company was incorporated as a limited liability company called Viking Capital Limited under the Companies Act 1993 on 10 April 2006. The Company's registration number is AK1799581.

The public file relating to the incorporation of the Company is held by the Companies Office, Ministry of Economic Development, and is available for public inspection on the Companies Office website at [www.companies.govt.nz](http://www.companies.govt.nz). Where relevant documents are not available on the website, a request for the documents can be made by contacting the Companies Office Contact Centre on 0508 266 726. A prescribed fee may be payable.

## Directors

The name, address and technical or professional qualifications (if any) of every director of the Company are:

### Brent Douglas King

B Com, CA, CMA  
108 Paratai Drive  
Orakei  
Auckland

### Grant Keith Baker

7 Hampton Drive  
Kohimarama  
Auckland

### Sir William Francis Birch

GNZM, M NZ INST of Surveyors, J.P.  
Bremner Road  
Drury

The only director who is also an employee of the Company is Brent King who holds the position of Managing Director.

None of the Directors have been adjudged bankrupt at any time in the past.

## Advisers

The names of the auditors, and securities registrar, and of the solicitors who have been involved in the preparation of the registered Prospectus are:

### Auditors

Deloitte  
8 Nelson Street  
PO Box 33  
Auckland

Telephone: (09) 309 4944  
Facsimile: (09) 309 4947

### Share Registrar

Computershare Investor Services Limited  
Level 2, 159 Hurstmere Road  
Takapuna  
Private Bag 92119  
Auckland

Telephone: (09) 488 8777  
Facsimile: (09) 488 8787

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# 13 ANSWERS TO IMPORTANT QUESTIONS

## Solicitors to the Company

Minter Ellison Rudd Watts  
Lumley Centre  
88 Shortland Street  
Auckland  
PO Box 3798  
Auckland

Telephone: (09) 353 9700  
Facsimile: (09) 353 9701

## Subsidiaries

On the Date of this Prospectus the Company has no Subsidiaries.

## Shareholders

On of the Date of this Prospectus the Company has only 1 share held by Brent King.

Mr King does not undertake any liability in respect of the Shares or Warrants being offered.

## How much do I pay?

### Minimum subscription

The Offer Price of the Shares is 25 cents per Share. The minimum number of Shares that can be subscribed for is 2,000 Shares and, thereafter, only in multiples of 1,000 Shares. If the applicant is successful, the applicant must satisfy the Offer Price in full on application.

Payment of the issue price of 25 cents for each Share applied for under the Cash Offer must be made by applicants in full on application.

There are no sums payable for Shares issued under the Equity Conversion Offer. Each applicant under the Equity Conversion Offer whose application is accepted will be entitled to 1 Share for each \$0.25 of transfer price of Listed Equity Securities transferred to the Company at a transfer price equal to their average closing price over the 20 Business Days before the Closing Date, discounted by 5%.

There are no sums payable for Shares issued under the Other Assets and/or Contracts Offer. Each applicant under the Other Assets and/or Contracts Offer whose application is accepted will be entitled to 1 Share for each \$0.25 of transfer price of Other Assets and/or Contracts transferred to the Company at their valuation as assessed by the Directors, discounted by 5%.

No consideration is payable at the time of subscription for the Warrants. The Warrant Exercise Price is payable upon exercise of each Warrant. The Warrantheadholder will be issued one Share for each Warrant exercised.




### Application and payment details

Applications for Shares can be made only on the Application Form accompanying this Prospectus. Completed Application Forms, together with payment for the Offer Price of the Shares subscribed for under the Cash Offer, and the details necessary to enable transfer of the Listed Equity Securities offered to the Company under the Equity Conversion Offer, and the details necessary to enable transfer of the Assets and/or Contracts offered to the Company under the Other Assets and/or Contracts Offer should be forwarded to:

Viking Capital Limited  
c/- Computershare Investor Services Limited  
Level 2, 159 Hurstmere Road  
Takapuna, Private Bag 92 119  
AUCKLAND

Or they can be forwarded to any Primary Market Participant.

Payment under the Cash Offer will only be accepted (at the discretion of the Company) in New Zealand currency, in one of the following:

-  Personal cheque drawn on and payable at any registered New Zealand bank.
-  Bank cheque issued by and payable at any registered New Zealand bank.
-  Bank draft drawn on and payable at any registered New Zealand bank.

Cheques and drafts should be made payable to "Viking Capital Limited Share Offer" and crossed "Not Transferable". Do not forward cash. Receipts for payment will not be issued.

Transfers of Listed Equity Securities offered to the Company under the Equity Conversion Offer will only be accepted (at the discretion of the Company) if the applicant forwards all details necessary to enable transfer of those Listed Equity Securities to the Company to be processed. Similarly, transfers of Other Assets and/or Contracts offered to the Company under the Other Assets and/or Contracts Offer will only be accepted (at the discretion of the Company), if the applicant forwards all details necessary to transfer those Other Assets and/or Contracts to the Company to be processed.

10,000,000 Warrants are to be issued to Brent King and/or persons associated with him. 3,300,000 Warrants are to be issued to Grant Baker and/or persons associated with him. In addition, for every six Shares allotted, investors will receive one attached Warrant. Each Warrant shall be exercisable for the Warrant Exercise Price at any time up to the earlier of 3.00pm on 1 October 2008 or the day determined pursuant to clauses 6.1 (relating to takeovers) and 6.3 (relating to compulsory acquisition of shares) of the Conditions of the Warrants to be the last day by which the Warrants must be exercised. Please note that Application Forms must be delivered to the appropriate person so that the Share Registrar receives the documentation before 5pm on the Closing Date.

The Application Form constitutes an irrevocable offer by the applicant to acquire:

- (a) in the case of an application made under the Cash Offer, the number of Shares specified in the Application Form (or such lesser number of Shares as the Board of the Company may determine); and
- (b) in the case of an application made under the Equity Conversion Offer, the number of Shares receivable under the Equity Conversion Offer in exchange for the Listed Equity Securities offered to the Company under the Equity Conversion Offer;
- (c) in the case of an application made under the Other Assets and/or Contracts Offer, the number of Shares receivable under the Other Assets and/or Contracts Offer in exchange for the Other Assets and/or Contracts offered to the Company under the Other Assets and/or Contracts Offer; and

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# 13 ANSWERS TO IMPORTANT QUESTIONS

(d) the Warrants attached to those Shares, on the terms set out in this Prospectus and the Application Form.

By submitting an Application Form, an applicant agrees to be bound by these terms and conditions and the constitution of the Company.

Cheques will be banked upon receipt for immediate value. Interest earned on application money will be paid to the Company subject to the requirements of the Securities Act 1978. Until allotment, application money received will be held to the benefit of the applicants by the Company or the Primary Market Participant who receives those funds according to their respective entitlements.

Money received, in respect of applications under the Cash Offer that are declined in whole or in part, will be refunded in whole or in part (as the case may be) without interest. Refunds will be posted to unsuccessful applicants within 10 Business Days after the Closing Date.

Applicants whose applications under the Equity Conversion Offer are declined in whole or in part will be advised accordingly by notices posted to those applicants, also within 10 Business Days of the Closing Date.

Shareholding statements, informing successful applicants under the Offer of their allocations, will be issued within 5 Business Days after the Closing Date.

The Shares will be issued on a fully paid basis.

## What are the charges?


### Payable by the investor


Investors are not required to pay any charges or fees to the Company or any associated person of the Company in relation to the Offer. However, the transfer price of Listed Equity Securities transferred to the Company under the Equity Conversion Offer is the average closing price of those Listed Equity Securities over the 20 Business Days before the Closing Date, discounted by 5%. Also, the transfer price of Other Assets and/or Contracts transferred to the Company under the Other Assets and/or Contracts Offer is their valuation as assessed by the Directors, discounted by 5%. Investors wishing to sell their Shares or Warrants in the future may be liable to pay brokerage fees.

### Payable by the Company

The Company will pay approximately \$250,000 plus GST on account of the expenses associated with the Offer. This amount includes:

-  Brokerage to Primary Market Participants and other pre-approved intermediaries at the rates of 1.5 to 2% of the Offer Price on all Shares allotted pursuant to valid applications bearing their stamp.
-  In addition, firm brokerage is payable by the Company at the rate of up to 3% of the Offer Price on all Shares allotted under firm allocation to Primary Market Participants selected by the Company who take firm allocations.
-  Marketing, printing and distribution costs.
-  Public relations.

 Legal, accounting and financial advisory fees.

 Other miscellaneous costs properly incurred by the Company in connection with the Offer.

## What are the Directors' and Promoters' interests?

The Directors are entitled to an aggregate remuneration currently set at \$180,000 per annum. This remuneration figure includes all normal expenses incurred by the Directors in carrying out their duties or exercising their powers as Directors of the Company. They are also entitled to be reimbursed for any exceptional costs that arise from their duties as Directors.

Brent King will not receive any remuneration for acting as a Director. Mr King has been appointed by the Company to manage and invest the Company's funds on the Company's behalf pursuant to and in accordance with the Management Agreements, which require Mr King to act subject to direction from the Board. These Management Agreements comprise:

- (a) a Founders' Contract dated 18 May 2006 between the Company and Brent King and Grant Baker;
- (b) an Employment Agreement dated 18 May 2006 between the Company and Brent King.

The Founders' Contract is for a period of 5 years, renewable thereafter for further periods of 5 years by mutual agreement between the Company, Mr King and Mr Baker.

The Employment Agreement is for an initial period of 5 years and thereafter continues in force until terminated in accordance with its terms. Under the Employment Agreement the Company may summarily dismiss Mr King in the event that he is guilty of serious misconduct or guilty of any serious breach of the Employment Agreement and in certain other circumstances. Mr King may terminate the Employment Agreement by giving 3 months notice in writing of termination to the Company.

### Founders' Contract

Under the Founders' Contract the Company has engaged Mr King and Mr Baker to advise on special projects, on terms and conditions that reward them for achieving certain growth targets for the Company.

Specifically, under the Founders' Contract if and when and each time that each of the following measures of size, being:

- (a) the shareholders funds of the Company; and
- (b) the market capitalisation of the Company;

reaches certain milestones by certain prescribed dates as set out below, then the Company shall pay Mr King and Mr Baker (collectively) a fee equal to 1.5% of the relevant milestone amount for the relevant measure of size (i.e. a fee at the said rate of 1.5% is payable in respect of each measure of size upon it reaching each milestone by the prescribed date).

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# 13 ANSWERS TO IMPORTANT QUESTIONS

Milestone – applying to each of Shareholders Funds and Market Capitalisation separately

Prescribed Date

\$20 million	30 September 2006
\$25 million	31 March 2007
\$30 million	31 March 2008
\$50 million	31 March 2009
\$75 million	31 March 2010
\$100 million	31 March 2011
\$150 million	31 March 2013

Definitions of “shareholders funds” and “market capitalisation” appear on page 11.

In the event that the Company achieves a milestone by the prescribed date, then the Company shall pay the relevant fee for reaching that milestone, within 30 days of the relevant prescribed date.

75% of any such fee has to be paid to or at the direction of Mr King, and the remaining 25% is to be paid to or at the direction of Mr Baker.

All such fees (after deduction and payment of tax thereon) shall, instead of being paid to the order of Mr King and Mr Baker, be applied, to exercise Warrants held by Mr King and Mr Baker or their associates and pay the subscription price payable on the exercise of those Warrants (except where those Warrants are not able to be exercised, whether due to restrictions imposed by the Takeovers Code or otherwise, in which case the relevant fees (net of tax) shall be paid to the order of Mr King and Mr Baker respectively).

## Employment Agreement

Under the Employment Agreement the Company has employed Brent King as its Managing Director for an initial term of 5 years commencing on 1 June 2006 and expiring on 31 May 2011 at a salary of \$125,000 per annum for the first year, \$225,000 per annum for the second year, and then reviewable annually (any change must be by agreement between the Company and Mr King) and which:

- requires Mr King to devote such time and attention to the Company’s business as is necessary to enable proper performance, having regard to his other business and private interests;
- entitles Mr King to have the Company provide him with a motor vehicle owned by the Company with a value up to \$120,000 as agreed by the Company and Mr King;
- entitles Mr King to 8 weeks annual paid leave;
- contains other terms and conditions assessed by the Board to be in line with other contracts of its type (a copy of the contract may be viewed on the Companies Office website, [www.companies.govt.nz](http://www.companies.govt.nz)).

Under the Employment Agreement Mr King is to be rewarded for achieving profitability targets for the Company, as detailed below.

Specifically, under the Employment Agreement the Company is obliged to pay to the order of Mr King a return on capital fee for each financial year of the Company, commencing with the financial year ending on 31 March 2007, equal to 5% of the amount by which the net profit before tax for the Company for the relevant financial year as disclosed in the Company’s accounts published or to be published for that financial year exceeds a return on shareholders funds for the Company for that financial year calculated as at the beginning of that financial year at a rate equal to the average bank bill buy rate quoted by the Company’s bankers for the financial year in question (calculated on a daily basis) plus 7% per annum provided that the shareholders funds for the Company calculated as at the beginning of the financial year ending on 31 March 2007 shall be the shareholders funds of the Company immediately following the allotment of Shares issued pursuant to the Offer.

For the purpose of calculating the above fee, the calculation of net profit before tax for the financial year ending 31 March 2007 shall be the net profit before tax for the period during that financial year in which the Company operates, annualised over the whole financial year.

## Other

The constitution of the Company provides that the Shareholders must approve any retirement benefits or compensation for loss of office.

The Company has granted each of its Directors an indemnity to the maximum extent permitted by the Companies Act 1993 and the Company’s constitution.

The Company will hold an insurance policy on the life of Brent King for not less than \$5,000,000. The proceeds of this policy are to be shared between the Company (80%) and his estate (20%) in the event he dies in office. The Company will consider other cover from time to time on other executives.

Directors may also be offered Shares under the Share Plan, but limited to 25% of the Shares offered.

## What returns will I get?

### Nature of the returns

Holders of Shares are entitled to receive any dividends paid by the Company. In addition, holders of the Shares and Warrants will receive the benefit from any increase in the market price of their Shares and Warrants or bear the loss from any decline in the market price of their Shares and Warrants. Whether or not a gain on sale of Shares or Warrants is received, and to what extent, will depend on a number of factors, including those discussed under “What are my risks” below. In the event of liquidation of the Company, the holders of the Shares will be entitled to participate in the remaining surplus of assets (if any) after payment of all creditors. No amount of returns has been promised to investors.

Discussed below are the key factors that determine returns.

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# 13 ANSWERS TO IMPORTANT QUESTIONS

## Dividends

The Company is intended to be a growth stock and hence the Board does not anticipate paying any significant dividends within the first few years of operation.

The Board will review their dividend policy from time to time taking into consideration the financial position, operating performance, cashflow and capital requirements of the Company.

In determining whether to pay dividends, the Board must have regard to the solvency of the Company. The Company is the entity liable to pay any dividend.

Nothing contained in this Prospectus should be construed as a promise of profitability. There is no assurance that dividends will be paid by the Company in the future. Whether dividends are paid, and to what extent, will depend on a number of factors, including those discussed under "What are my risks" below.

## Net asset value

Returns on Shares will be made upon sale of Shares if the amount paid for the Shares is less than the market price of the Shares at the time of sale. The key factors which determine Share price include the value of the net assets of the Company (which is affected by the value and performance of the investments made by the Company), share market trends and general economic conditions. Such a return will be payable by the purchaser of those Shares.

Returns on Warrants will be made upon exercise of the Warrants if the amount paid for the Shares is less than the market price of the Shares at the time of exercise (adjusted to account for the expanded capital). Such a return will be payable if those Shares are sold at a price above the Warrant exercise price, in which case the return will be payable by the purchaser of those Shares. A return on the Warrants will also be received if a gain is made on their sale. Such a return will be payable by the purchaser of those Warrants. Price movements of Warrants are generally more extreme than price movements of Shares and the key factors that determine the price of Warrants are the same as those which determine Share price. In addition, the length of time remaining until the exercise date of the Warrants will also affect the value of the Warrants.

## Taxes

New Zealand taxes may affect the return to investors. Persons considering the purchase, ownership or disposition of Shares should consult their own tax adviser concerning the tax consequences in light of their particular situations.

Dividends will be subject to New Zealand withholding taxes, but the investor's liability in respect of such taxes may be reduced or satisfied to the extent the dividends have imputation credits attached. These comments are of a general nature only and do not constitute legal advice.

## Prospective statement





The Directors' plans for the Company for the 12 months from the Date of the Prospectus are to invest the funds raised pursuant to the Cash Offer, or realised from any sale of Listed Equity Securities or Other Assets and/or Contracts and any moneys raised from borrowings or other capital raisings in the manner described under Investment Activities.

The Company believes that it is unable to prepare meaningful projections of future returns and has elected not to provide projections of future returns. This is because the timing of investments is uncertain. The Directors propose to make investments as and when they identify suitable opportunities. Investors should rely on their own judgement or on independent advice as to the likely level of returns.

The dates on which the returns described above will be payable or paid and the frequency with which they will be payable or paid are unknown.

## What are my risks?

No investment is risk free, and the Shares and Warrants are no exception. The principal risk for investors is that of being unable to recoup their original investment. This could happen for a number of reasons, including in the event that:

-  The price at which investors are able to sell their Shares and Warrants in the Company is less than the price they have paid due to market volatility or for other reasons.
-  They are unable to sell their Shares or Warrants at all.
-  The financial performance of the Company is worse than expected.
-  The Company is placed in receivership or liquidation.

(note: Investors could receive less than the amount paid to the Company for their investment if the Company were to become insolvent for any reason.)

If the Company's operational and financial performance is worse than investors expect, the future market price of the Shares and Warrants may be less than the price paid for them and returns on the Shares and Warrants may be less than anticipated by investors at the time of subscription. The value of the Warrants will be affected by the value of the underlying Shares and therefore the risk factors described in this section as possibly affecting the value of the Shares may also affect the value of the Warrants.

Investors should be aware that there is no guarantee that they will receive the returns described in the section "What returns will I get?".

There is no circumstance known to the Company in which any further call for money could be made on the investor after they have paid the Offer Price or, in respect of the Warrants, after the investors have paid the exercise price.

If the Company is placed in liquidation, the residual value of assets may not be sufficient for Shareholders to recover the full value of their original investment. In liquidation, claims by all creditors of the Company will rank ahead of the claims of Shareholders, and claims by Shareholders and the holders of Shares will rank equally with one another. Neither Warrant holders nor Shareholders would be liable to pay any money to creditors in the event of liquidation of the Company. Warrant holders will have no share of the assets (if any) distributed as a result of a liquidation of the Company.

The future operational and financial performance of the Company may be affected by a number of risk factors which are set out below. Although the Directors have in place risk management strategies to

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# 13 ANSWERS TO IMPORTANT QUESTIONS

counter each of these risks where possible, the Directors cannot give any guarantee or assurance that the strategies in place will remove the risks.

## Net Asset Value

The net asset value of the Company at the time of the issue of Shares and Warrants will be increased by any discount at which any Listed Equity Securities and/or Other Assets and/or Contracts are acquired by the Company as consideration for Shares allotted under the Offer. However, such net asset value will also be decreased by the costs incurred in establishing the Company and of making the Offer. The Company is expecting this to produce an outcome where the net asset value per Share is slightly in excess of \$0.25 and this should be reflected in the market price of the Shares and Warrants at the time of initial allotments.

The price of the Shares is affected by a number of factors including the value of the net assets of the Company, which is in turn affected by the value and performance of the investments made by the Company. The Share and Warrant price may therefore reflect the performance of the companies in which the Company invests. If the Company invests in listed companies general economic factors such as interest rates will have a greater influence on the value of those investments than in respect of investments in unlisted companies. Investments in unlisted companies are generally valued at the lower of the cost of the investment and the market value of the investment. The Board may adopt a higher value if this value, in their opinion, more accurately reflects the market value of that investment.

A variety of commercial factors will affect the performance of the investments made by the Company. Such factors include management capability in decision making, appropriate debt to equity ratios and demand for the products or services sold by the company/companies invested in by the Company.

## Identification of investments

The identification of suitable companies for the Company to invest will be time consuming and expensive and no assurance is given that the Company will be able to invest its capital fully or quickly.

## General economic conditions

The trading and financial performance of the Company is influenced by a wide variety of business and economic conditions which affect the economy in New Zealand including interest rates, exchange rates, inflation, commodity prices, government monetary, fiscal and regulatory policies, consumer spending patterns and changes in business and consumer confidence.

These general economic conditions will therefore also affect the market price of the Shares and the Warrants following the Offer, and therefore whether a gain or loss on sale will be made.

## Competition

The Company competes with other investment and financial services companies and the barriers to entry for more competition are not prohibitive. Competition from other investment and financial services companies is significant and changes in the composition and extent of competitors has the potential to present opportunities, and/or impact on the Company's market share and profitability.

## Loss of key personnel

Viking Capital Limited believes that it has a widely experienced and talented Board of Directors. However, there is always the risk of the loss of key individuals, in particular Brent King. This risk is mitigated by his being engaged under the Employment Agreement for an initial term of 5 years. It is anticipated that during this period the Company will add to its management team.

Viking will hold an insurance policy on the life of Brent King for not less than \$5,000,000. The proceeds of this policy are to be shared between the Company (80%) and his estate (20%) in the event he dies in office. The Company will consider other cover from time to time on other executives.

## Other factors

Other factors that may affect the Company are adverse changes in the following:

- ✎ World economic conditions.
- ✎ World political events.
- ✎ Government legislation, intervention or level of taxation.
- ✎ Accounting policies or treatments arising generally.
- ✎ Natural disasters, social upheaval, terrorism or war in New Zealand or overseas.

## Market risk

The liquidity of the NZAX at any point may have an impact on the ability to, and the price at which, Shares and Warrants may be traded.

## Changes in taxation

Any change to the current rate of company income tax will impact on Shareholder returns. Any change to the current rates of income tax applying to individuals and/or trusts similarly will impact on after tax Shareholder returns. Dividends paid to Shareholders will be subject to tax but imputation credits may be attached to the dividends which will reduce investors' tax liabilities.

## Sales of Shares and Warrants

Sales of Shares or Warrants or the availability of Shares or Warrants for sale may have an effect on the market price of Shares and Warrants, however this effect (if any) cannot be pre-ascertained.

In the event that one or more of the factors outlined above or any other unforeseen factors have a detrimental effect on the value of the Shares or the Warrants, it is reasonably foreseeable that, if an investor sells their Shares or their Warrants, the investor may receive less than the amount paid. Alternatively, such factors may impact on the ability of the Company to make distributions.

## Forward looking statements

There are certain forward looking statements in this Prospectus. Forward looking statements are to be treated as guides only. They are subject to both known and unknown risks which may cause the actual financial performance of the Company to be materially different from the future performance of the Company which may be expressed in or implied by the forward looking statements. These risks are set out in this section.

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# 13 ANSWERS TO IMPORTANT QUESTIONS

Because of these uncertainties, prospective investors are encouraged not to place undue reliance on the forward looking statements. The inclusion of forward looking statements should not be regarded as a representation or warranty by the Company, its Directors or any other person that the results expressed in these statements or the underlying assumptions will occur. The Company and its Directors do not take any responsibility to update such risk factors or publicly announce the result of any revisions to any of the forward-looking statements other than where required to do so by the Companies Act 1993, the Securities Act 1978, the Securities Markets Act 1988 or the regulations under these pieces of legislation.

## NZAX Listing

The securities offered in this Prospectus **are listed**, or intended **to be listed**, on the NZX's NZAX market. The NZAX market differs from the NZSX market, also operated by NZX, in the following key respects:

-  There are reduced criteria for listing on NZAX – there is no requirement for 25% of the securities of an NZAX issuer to be widely held and no minimum value requirement for NZAX listings as apply to NZSX listings. Whilst an NZSX issuer must have 500 Shareholders, an NZAX issuer needs only 50 shareholders.
-  An NZAX issuer requires an NZX sponsor in order to list on the NZAX market, whereas NZSX companies require an organising participant.
-  Greater flexibility is accorded by the NZAX Listing Rules to NZAX issuers seeking to raise capital, buy back securities, and undertake major transactions. The NZAX Listing Rules provide NZAX issuers with an option to undertake these activities, without seeking Shareholder consent, by making an announcement to the market, which discloses fully the transaction prior to that transaction becoming final.
-  The materiality threshold for related party transactions in the NZAX Listing Rules is higher than the threshold in the NZSX Listing Rules. This means that an NZAX issuer may enter into (proportionally) more substantial transactions with related parties before being required to seek shareholder approval for those transactions.
-  The corporate governance standards for NZAX issuers do not contain all the matters provided for in the corporate governance standards for NZSX issuers.

## Can the investment be altered?

The terms and conditions attaching to the Shares may only be altered with the approval of a special resolution of Shareholders of the Company. A special resolution of Shareholders must be approved by 75% of eligible Shareholders voting on that resolution. The conditions of the Warrants may only be altered with the approval of a special resolution of the Warrantholders. A special resolution of Warrantholders must be approved by 75% of eligible Warrantholders voting on that resolution. Rights attaching to Shares and/or Warrants may be altered in certain circumstances by court order. To amend the terms of the Offer (which are set out in this Prospectus) the Company is required to seek approval of the amendment from the NZAX. Any amendment must be filed with the Companies Office. The Board may change the Closing Date of the Offer.

The exercise price and exercise date of the Warrants may be changed by the Directors in certain circumstances, as set out in the Conditions of Warrants at pages 15 to 17 of this Prospectus.

## How do I cash in my investment?

The Shares and Warrants are transferable to another person and investors can cash in their investment by selling their Shares and/or Warrants. It is anticipated that the Shares and Warrants will be tradeable on an established market subject only to compliance with the Company's constitution, applicable securities laws and regulation and the development of an active trading market.

Application has been made to NZX for permission to list the Shares and Warrants on the NZAX, and all the requirements of NZX relating thereto, that can be complied with on or before the date of this Prospectus, have been duly complied with. However, NZX accepts no responsibility for any statement in this Prospectus.

If an investor does decide to buy or sell Shares or Warrants on the NZAX through a sharebroker, that investor may be liable for brokerage fees.

Applicants for Shares and Warrants under this Offer that do not have a Computershare Investor Services Limited Shareholder number, will be provided with Computershare Investor Services Limited Shareholder and FIN numbers by mail, on or about the date of allocation of Shares and Warrants pursuant to this Offer.

## Who do I contact with enquiries about my investment?

Enquiries in respect of the investment or the Company may be directed to:

### The Issuer

The Managing Director  
Viking Capital Limited  
c/- Minter Ellison Rudd Watts  
Lumley Centre  
88 Shortland Street  
Auckland

Telephone: (09) 353 9700  
Facsimile: (09) 353 9701; or

Any Primary Market Participant

## Is there anyone to whom I can complain if I have problems with the investment?

Complaints relating to the investment may be directed to:

The Managing Director  
Viking Capital Limited  
c/- Minter Ellison Rudd Watts  
Lumley Centre  
88 Shortland Street  
PO Box 3798  
Auckland

Telephone: (09) 353 9700  
Facsimile: (09) 353 9701

Cont...



# 13 ANSWERS TO IMPORTANT QUESTIONS

A complaint about the Shares or Warrants or the Company may be made directly to NZX at:

New Zealand Exchange Limited (trading as NZX)  
Level 2, NZX Centre  
11 Cable Street  
PO Box 2959, Wellington  
Telephone: (04) 472 7599

There is no Ombudsman to whom complaints about the investment can be made.

## What other information can I obtain about the investment?

The Prospectus and other documents of, or relating to, the Company, the Company's constitution and copies of the material contracts entered into by the Company may be viewed without fee during normal business hours at the Company's registered office at Minter Ellison Rudd Watts, Lumley Centre, 88 Shortland Street, Auckland. These documents may also be inspected on the public file relating to the Company, which is kept by the Companies Office. Documents on the public file may be viewed on the Companies Office website, [www.companies.govt.nz](http://www.companies.govt.nz).

Where relevant documents are not available on the web site, a request for the documents can be made by contacting Searchlink at [info@searchlink.co.nz](mailto:info@searchlink.co.nz). Charges are payable. Copies of these documents can be obtained, free of charge, from the Company at the contact details set out in the Directory.

Shareholders and Warranholders on the relevant record dates will be sent, annually, a copy of the Company's annual report (including the Company's audited financial statements), a copy of the Company's financial statements for each half of each financial year, notices of meetings of Shareholders, as well as all other Shareholder communications.

Investors may receive copies of:

- (a) the Company's most recent annual report (as the Company has only recently been incorporated, there are not yet any annual reports);
- (b) the Company's most recent financial statements (as the Company has only recently been incorporated, there are not yet any financial statements); and
- (c) this Prospectus.

The above information can be requested by writing or calling:

Viking Capital Limited  
c/o Minter Ellison Rudd Watts  
Lumley Centre  
88 Shortland Street  
Auckland

Telephone: (09) 353 9700  
Facsimile: (09) 353 9701

A fee of \$0.20 per page for photocopying may be charged.

## Other important information

The Company has entered into the following material contacts:

- (a) a Founders' Contract dated 18 May 2006 between Viking Capital Limited of the one part and Brent Douglas King and Grant Baker of the other part, pursuant to which Messrs King and Baker are to be paid certain fees if Viking Capital Limited achieves certain milestones, in terms of its shareholders funds and market capitalisation, by certain prescribed dates;
- (b) an Employment Agreement dated 18 May 2006 between Viking Capital Limited and Brent Douglas King;
- (c) Deeds of Indemnity dated 18 May 2006 granted by the Company in favour of each of the Directors, to the extent permitted under the Companies Act 1993;
- (d) Employee Share Ownership Plan Trust Deed dated 18 May 2006 between the Company and Viking Share Plan Trustee Limited;
- (e) Listing Agreement dated 18 May 2006 between the Company and New Zealand Exchange Limited;
- (f) Security Agreements dated 18 May 2006 between the Company and Brent King, the Company and Grant Baker, and the Company for itself and on behalf of investors who subscribe under the Offer by transferring Listed Equity Securities and/or Other Assets and/or Contracts to the Company, all of which Security Agreements impose restrictions on the ability to sell or otherwise dispose of Shares during an initial restricted period.

This Prospectus is issued in reliance on the Securities Act (Rights, Options and Convertible Securities) Exemption Notice 2002.

This Prospectus is issued in reliance on the Takeovers Code (Viking Capital Limited) Exemption Notice 2006.

This Prospectus has been duly signed by each Director of the Company, or by their respective agents authorised in writing.

Brent Douglas King  
Grant Keith Baker  
Sir William Francis Birch



## 14 GLOSSARY

**"Additional Shares"** means the further 20,000,000 Shares, in addition to the 60,000,000 Shares being Offered, described on page 5, that the Directors have the ability to accept applications for, making a total number of Shares offered under the Offer of up to 80,000,000 Shares (including oversubscriptions).

**"Affiliate"** in relation to any person, means a person that directly or indirectly, through one or more intermediaries, owns or controls or is owned or controlled by or is under the common ownership or control with the person and, in relation to a family trust means any beneficiary (ascertained or discretionary) of that trust.

**"Application Form"** means the application form in section 17 of this Prospectus.

**"ASX"** means the main board equity securities market operated by Australian Stock Exchange Limited (including its successors).

**"Board"** and **"Board of Directors"** means the board of directors for the time being of the Company.

**"Business"** means the business the Company.

**"Business Day"** means a day on which the NZAX is open for trading.

**"Cash Offer"** means the offer of Shares for cash made under this Prospectus;

**"Closing Date"** means 21 June 2006 or such other date as determined by the Company.

**"Companies Act"** means the Companies Act 1993.

**"the Company"** means Viking Capital Limited.

**"Date of this Prospectus"** means the date of this Prospectus.

**"Directors"** means the board of directors for the time being of the Company.

**"Equity Conversion Offer"** means the offer of Shares in exchange for Listed Equity Securities transferred to the Company made under this Prospectus.

**"Founder Warrants"** means the Warrants described as such on page 5.

**"Investee Company"** means any company in which the Company invests, either directly, or indirectly through a Subsidiary.

**"Investment Policy"** means the investment policy described on pages 13 and 14.

**"Listed Equity Securities"** means shares or other equity securities listed on NZSX, NZAX or ASX.

**"Listing Rules"** means the Listing Rules of NZAX.

**"Management Agreements"** means the Founders' Contract between the Company, Mr King and Mr Baker and the Employment Agreement between the Company and Mr King, both of which are described on pages 11 and 12.

**"NZAX"** means the alternative securities market operated by NZX.

**"NZX"** means New Zealand Exchange Limited.

**"NZX Sponsor"** means Minter Ellison Rudd Watts.

**"NZSX"** means the main board equity securities market operated by NZX.

**"Offer"** means the offer of Shares and Warrants set out in this Prospectus.

**"Offer Price"** means 25 cents per Share.

**"Opening Date"** means 5 June 2006.

**"Other Assets and/or Contracts"** means the assets and/or contracts (other than cash or Listed Equity Securities) offered to the Company in exchange for Shares under the Other Assets and/or Contracts Offer.

**"Other Assets and/or Contracts Offer"** means the Offer of Shares in exchange for Other Assets and/or Contracts made under this Prospectus.

**"Participants"** means participants in the Share Plan comprising persons who are or are proposed to be Directors, employees of or persons who provide personal services (other than as employees) principally to the Company and/or any of its Subsidiaries, and who are selected by the Board.

**"Primary Market Participant"** has the meaning given in the NZX Participant Rules.

**"Prospectus"** means this registered Prospectus.

**"Shareholders"** means the holders of the Shares;

**"Share Plan"** means the Viking share ownership plan described on page 9.

**"Share Registrar"** means Computershare Investor Services Limited.

**"Shares"** means ordinary shares in the capital of the Company.

**"Specified Date"** means the date this Prospectus is delivered to the Registrar of Companies for registration under section 42 of the Securities Act 1978, which is expected to be 2 June 2006.

**"Subsidiary"** means a Subsidiary (as defined in the Companies Act 1993) established or acquired by the Company.

**"Viking Capital"** means Viking Capital Limited.

**"Warrant Exercise Price"** means:

- (a) 25 cents for each Warrant, other than the Founder Warrants;
- (b) 30 cents for each Founder Warrant.

**"Warrants"** mean the warrants to be issued under the Offer in conjunction with the Shares, the conditions of which are set out on pages 15 to 17.

**"Warrantholder"** means, at any time, each person whose name is entered from time to time in the register maintained by the Company as a holder of Warrants.



# 15 DIRECTORY

## Directors

Brent Douglas King (Auckland)  
Grant Keith Baker (Auckland)  
Sir William Francis Birch (Auckland)

## The Company

Viking Capital Limited  
c/- Minter Ellison Rudd Watts  
Lumley Centre  
88 Shortland Street  
Auckland  
PO Box 3798  
Auckland

Telephone: (09) 353 9700  
Facsimile: (09) 353 9701

## Auditors

Deloitte  
8 Nelson Street  
PO Box 33  
Auckland

Telephone: (09) 309 4944  
Facsimile: (09) 309 4947

## Solicitors to the Company

Minter Ellison Rudd Watts  
Lumley Centre  
88 Shortland Street  
Auckland  
PO Box 3798  
Auckland

Telephone: (09) 353 9700  
Facsimile: (09) 353 9701

## NZX Sponsor

Minter Ellison Rudd Watts  
Lumley Centre  
88 Shortland Street  
Auckland  
PO Box 3798  
Auckland

Telephone: (09) 353 9700  
Facsimile: (09) 353 9701

## Share Registrar

Computershare Investor Services Limited  
Level 2  
159 Hurstmere Road  
Takapuna  
Private Bag 92119  
Auckland

Telephone: (09) 488 8777  
Facsimile: (09) 488 8787



# 16 APPLICATION INSTRUCTIONS

## How to apply

Applications may only be made on the Application Form attached to this Prospectus. If you wish to apply for Shares and Warrants under the Offer, you must complete the Application Form in accordance with the instructions on the Application Form.

## Insert details

Insert full name(s), address and telephone numbers.

Applications must be in the name(s) of natural persons, companies or other legal entities. At least one full given name and surname is required for each natural person.

Applications in the name of a minor, fund, estate, business, firm or partnership, club or other unincorporated body cannot be accepted. In those cases applications must be made in the individual name(s) of the person(s) who is (are) the legal guardian(s), trustee(s), proprietor(s), partner(s), or office bearer(s) (as appropriate).

Enter your Common Shareholding Number (CSN) if you currently hold New Zealand shares.

If you do not currently have a CSN you will be sent this as well as a Faster Identification Number (FIN) under separate mail from the Share Registrar within 5 Business Days of the allocation of Shares under the Offer.

Insert your IRD number. Tick the relevant box for a Resident Withholding Tax exemption certificate if applicable (and provide a copy of the certificate with your application if the box is ticked "yes").

## Signing

Read the Application Form and the Prospectus carefully and sign and date the form. It must be signed by the applicant(s) personally, or by two directors of a company, or one director if there is only one director, or in either case by an attorney. If your Application Form is signed by an attorney, the power of attorney document is not required to be lodged, but the attorney must complete the certificate on the Application Form. Joint applicants must each sign the Application Form.

## Cash Offer – Payment

Payment of the application amount in full must accompany the application form. Payment must be in New Zealand dollars and for immediate value. Cheques must be drawn on a registered New Zealand bank or be a bank cheque issued by or payable at any registered New Zealand bank, or be a bank draft drawn on and payable at any registered New Zealand bank. Cheques must be made out in favour of "Viking Capital Limited Share Offer" crossed "Not Transferable" and must not be post dated.

## Equity Conversion Offer

Transfers of Listed Equity Securities offered to the Company under the Equity Conversion Offer will only be accepted (at the discretion of the Company) if the applicant forwards all details necessary to enable transfer of those Listed Equity Securities to the Company to be processed.

If you are applying under the Equity Conversion Offer, enter your FIN number.

## Other Assets and/or Contracts Offer

Transfers of Other Assets and/or Contracts offered to the Company under the Other Assets and/or Contracts Offer will only be accepted (at the discretion of the Company) if the applicant forwards all details necessary to enable transfer of those Other Assets and/or Contracts to the Company to be processed.

## Closing dates

Application Forms must be received by the Share Registrar before 5:00pm on 21 June 2006. The Company may amend this date at its discretion (subject to the requirements of NZX). Application Forms which are not lodged directly with the Share Registrar must be lodged with the relevant person in time to enable them to be forwarded to the Share Registrar before the Closing Date.

Applications which are received by the Share Registrar after the Closing Date may or may not be accepted, at the discretion of the Company.

## Delivery

Applications cannot be revoked or withdrawn.

If you have received a firm allocation from a Primary Market Participant, an Application Form should be completed and returned to that Primary Market Participant, accompanied by your payment, or the documentation necessary to transfer to the Company the Listed Equity Securities and/or Other Assets and/or Contracts you offer as consideration for your Shares (as the case may be) in time for it to be forwarded to the Share Registrar before the Closing Date.

Otherwise, Application Forms and your payment under the Offer may be mailed or delivered to:

Viking Capital Limited  
c/- Computershare Investor Services Limited  
Level 2, 159 Hurstmere Road  
Takapuna  
Private Bag 92 119  
Auckland

Alternatively, mail it to the offices of any Primary Market Participant.



# 17 APPLICATION FORM

To: Viking Capital Limited  
c/- Computershare Investor Services Limited  
Private Bag 92119  
Auckland

BROKERS STAMP		
Advisors Code	<input type="text"/>	<input type="text"/>

This Application Form is issued with the Prospectus dated 2 June 2006 for the offer of ordinary shares in Viking Capital Limited ("Shares"). The Prospectus also provides for the issue of Founder Warrants. In addition, for every six Shares allotted in the issue investors will receive one attached warrant ("Warrant").

Please refer to the Application Instructions section of the attached Prospectus on page 29, and to the final part of this Application Form for additional instructions and additional application terms.

## Applicant Details (BLOCK LETTERS PLEASE)

Applicant:	<input type="text"/>	<input type="text"/>	<input type="text"/>
	<i>Title</i>	<i>First Name(s)</i>	<i>Surname</i>
Joint Applicant:	<input type="text"/>	<input type="text"/>	<input type="text"/>
	<i>Title</i>	<i>First Name(s)</i>	<i>Surname</i>
Joint Applicant:	<input type="text"/>	<input type="text"/>	<input type="text"/>
	<i>Title</i>	<i>First Name(s)</i>	<i>Surname</i>
Corporate Name:	<input type="text"/>		
Address Details:	<input type="text"/>	<input type="text"/>	<input type="text"/>
	<i>Number</i>	<i>Street</i>	<i>Suburb</i>
	<input type="text"/>		<input type="text"/>
	<i>City</i>		<i>Postcode</i>
Telephone Number:	<input type="text"/>	<input type="text"/>	<input type="text"/>
	<i>Home</i>	<i>Business</i>	
Email Address:	<input type="text"/>		

## Applications

Applications must be for a minimum of 2000 Shares at 25 cents per Share and thereafter in multiples of 1000 Shares, to be satisfied in full on application.

**Please complete one or more of the 3 alternatives below, as applicable.**

### Cash Offer

Number of Shares Applied for

Amount payable

Cheques for the full amount payable must be attached to this Application Form and must be payable to Viking Capital Limited Share Offer. Cheques must be crossed "Not Transferable".

Cont...



### Equity Conversion Offer

The aggregate transfer price of Listed Equity Securities offered by the applicant must be not less than \$500 (which if accepted entitles the applicant to 2000 Shares) and thereafter in multiples of \$250.

There are no sums payable for Shares issued under the Equity Conversion Offer. Each applicant under the Equity Conversion Offer whose application is accepted will be entitled to 1 Share for each \$0.25 of transfer price of Listed Equity Securities transferred to the Company at a transfer price equal to their average closing price over the 20 Business Days before the Closing Date, discounted by 5%.

Company

No. of Listed Equity Securities  
Applicant is offering

Applicant's FIN number

Transfers of Listed Equity Securities offered to the Company under the Equity Conversion Offer will only be accepted (at the discretion of the Company) if the applicant forwards all details necessary to enable transfer of those Listed Equity Securities to the Company to be processed.

### Other Assets and/or Contracts Offer

The aggregate transfer price of Other Assets and/or Contracts offered by the applicant must be not less than \$500 (which if accepted entitles the applicant to 2000 Shares) and thereafter in multiples of \$250.

There are no sums payable for Shares issued under the Other Assets and/or Contracts Offer. Each applicant under the Other Assets and/or Contracts Offer whose application is accepted will be entitled to 1 Share for each \$0.25 of transfer price of other Assets and/or Contracts transferred to the Company at their valuation as assessed by the Directors, discounted by 5%.

Description of the Other  
Assets and/or Contracts

Transfers of Other Assets and/or Contracts offered to the Company under the Other Assets and/or Contracts Offer will only be accepted (at the discretion of the Company) if the applicant forwards all details necessary to enable transfer of those Other Assets and/or Contracts to the Company to be processed.

### Dividend Payments

(PLEASE TICK THE APPROPRIATE BOX TO SELECT THE METHOD OF PAYMENT OF DISTRIBUTIONS):

Either:  Pay by cheque to the postal address above OR  Direct credit my bank account\* \*(not required if computershare investor services limited already has these details)

ACCOUNT NAME:

BANK

BRANCH

ACCOUNT NUMBER

SUFFIX

NAME OF BANK

ADDRESS OF BANK

Common Shareholder Number

(PLEASE INSERT IF YOU HAVE ONE)

IRD Number

(PLEASE INSERT)

Are you holding a current Resident Withholding Tax Exemption Certificate?

Yes

No

If yes, please attach a copy of the Certificate to this Form.

Only one IRD number is required in respect of joint applicants.

### Signatory

I/We apply for the Shares shown above and/or calculated by the Company in accordance with this Application Form (as the case may be) and the attached Warrants upon the terms and conditions set out in this Prospectus, including this Application Form, and agree to accept the Shares and Warrants applied for or such lesser number of Shares and Warrants as the Company may allocate to me/us and also agree to be bound by the Company's constitution.

Signature

Signature

Date:

Date:

Cont...



## Certificate of Non-Revocation of Power of Attorney

I,  of   
(name of Attorney) (Address and Occupation of Attorney)

### HEREBY CERTIFY THAT:

1. By a Power of Attorney dated the  day of   
   
(Name and Occupation of person for whom Attorney is signing) (Address of person for whom Attorney is signing)  
("the Donor") appointed me his/her/its Attorney on the terms and conditions set out in the Power of Attorney;
2. I have executed the application for Shares and Warrants printed on the face of this form as Attorney pursuant to the powers conferred on me by that Power of Attorney.
3. At the date of this certificate I have not received any notice or information of the revocation of that Power of Attorney, whether by the death or dissolution of the Donor or otherwise.

Signed at  this  day of  2006

Signature of Attorney

### Additional Application Terms

By signing this Application Form, the applicant acknowledges that this form was distributed with the Prospectus dated 2 June 2006 and this application constitutes an irrevocable offer to subscribe for the Shares and Warrants:

- (a) specified in the Application Form, in the case of the Cash Offer; and
- (b) calculated by the Company in accordance with this Application Form, in the case of the Equity Conversion Offer and the Other Assets and/or Contracts Offer,

or such lesser number of Shares and Warrants as the Company may determine, upon and subject to the terms and conditions set out in this Prospectus, including this Application Form.

Upon receipt, application monies under the Cash Offer will be banked into a trust account pending allocation of Shares and Warrants. The banking of such monies does not constitute allotment of any Shares and Warrants. Other than where otherwise required by law, interest earned on the account will be paid to the Company. If application money is paid by a cheque that does not clear, your application may be rejected or an allocation made to you may be cancelled. Prior to trading, you should ensure clearance will occur.

Upon receipt, details of holdings forwarded by the applicant under the Equity Conversion Offer and assets and/or contracts forwarded by the applicant under the Assets and/or Contracts Offer will be held pending a decision by the Company on the application.

By signing this Application Form, applicants under the Equity Conversion Offer and the Other Assets and/or Contracts Offer appoints the Company and the Share Registrar, jointly and severally, as its attorney to do all things necessary or desired:

- (a) to transfer the Listed Equity Securities and/or Other Assets and/or Contracts (as the case may be) described in this Application Form to the Company in return for the Shares and Warrants to be issued to that applicant upon acceptance of this Application Form; and
- (b) to sign a Security Agreement with the Company in the form referred to on page 8 of this Prospectus and which is available

for inspection on the Companies Office website, [www.companies.govt.nz](http://www.companies.govt.nz).

An applicant does not have any interest in, or right or entitlement to, any Shares or Warrants unless and until, and then only to the extent that, Shares and Warrants are allotted to that applicant by the Company.

The Company reserves the right to decline any application in whole or in part, without giving any reason. Money received in respect of applications that are declined in whole or in part will be refunded in whole or in part (as the case may be). Refunds will be posted within 10 Business Days after the Closing Date. Interest will not be paid on any application money refunded to applicants.

Applicants whose applications under the Equity Conversion Offer and/or the Other Assets and/or Contracts Offer are declined in whole or in part will be advised accordingly by notices posted to those applicants, also within 10 Business Days of the Closing Date.

Statements will be despatched as soon as practicable after allotment, but in any event not later than 5 Business Days after the Closing Date. Neither the Company, nor any of its respective officers, Directors, employees or advisers accepts any liability or responsibility should any person attempt to sell or otherwise deal with Shares or Warrants before the Statements confirming allotment are received by the applicants.

If this Application Form is not correctly completed, or if any accompanying payment is for the wrong amount, it may still be treated as valid. The Company's decision as to whether to treat your application as valid, and how to construe, amend and complete it, will be final. The Company's decision on the number of Shares and Warrants to be allotted to an applicant will also be final. Applicants will not, however, be treated as having applied for a number of Shares greater than the number indicated on this Application Form, or calculated by the Company in accordance with this Application Form, as the case may be.

Expressions defined in the Prospectus have the same meanings in this Application Form. This Application Form is governed by New Zealand law.





