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ASX/MEDIA RELEASE

TAKEOVER OFFER FOR DARK BLUE SEA AT 30 CENTS PER SHARE

Photon Group Limited (ASX Code: PGA) today announced that it intends to make a takeover offer for all of the ordinary shares issued in ASX-listed Dark Blue Sea Limited (DBS) for 30 cents per share.

Photon has a relevant interest in 30.55% of all issued ordinary shares in DBS.

In announcing the takeover offer, Photon's Executive Chairman Mr Tim Hughes, said "Photon believes the bid is an extremely attractive offer for DBS shareholders, representing a 56% premium to the average trading price of DBS shares in the last month."

Michael Birch, Managing Director of DBS' second largest shareholder Huon Capital said "We intend to accept Photon's offer for our entire relevant interest in approximately 14.25% of DBS shares, in the absence of a higher offer for all of the DBS shares outstanding."

Photon's offer is free of conditions other than a minimum acceptance condition of 50.1% and a condition that certain prescribed occurrences do not occur. Full details of these conditions are set out in Annexure A.

Photon will prepare a Bidder's Statement for dispatch to DBS shareholders as soon as possible.

For any other enquiries please contact:

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Annexure A – Conditions to the offer

The offer is subject to the following conditions:

1. 50.1% minimum acceptance condition

The number of DBS ordinary shares in which Photon Group Limited and its associates have a relevant interest at the expiry of the offer period is not less than 50.1% of the DBS ordinary shares then on issue.

2. No prescribed occurrences

None of the following events happen before the end of the offer period (each being a separate condition):

- (a) DBS converts all or any of its shares into a larger or smaller number of shares;
- (b) DBS or a subsidiary of DBS resolves to reduce its share capital in any way;
- (c) DBS or a subsidiary of DBS:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under sections 257C(1) or 257D(1) of the Corporations Act;
- (d) DBS or a subsidiary of DBS issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) DBS or a subsidiary of DBS issues, or agrees to issue, convertible notes;
- (f) DBS or a subsidiary of DBS disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) DBS or a subsidiary of DBS charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) DBS or a subsidiary of DBS resolves to be wound up;
- (i) a liquidator or provisional liquidator of DBS or of a subsidiary of DBS is appointed;
- (j) a court makes an order for the winding up of DBS or of a subsidiary of DBS;
- (k) an administrator of DBS, or of a subsidiary of DBS, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) DBS or a subsidiary of DBS executes a deed of company arrangement;
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of DBS or of a subsidiary of DBS.