



MACRO ENERGY

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ASX and Media Announcement

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digitalBTC BRINGS BITCOIN TO THE ASX

Macro Energy Limited (“Macro” or the “Company”) is pleased to announce its intention to enter the digital currency sector with the proposed acquisition of Digital CC Holdings Pty Limited (“DCC”), its wholly owned operating entity digitalBTC (“digitalBTC”) (“Acquisition”) and completion of a A\$9.1 million capital raising (“Capital Raising”). digitalBTC is an innovative digital currency company presently operating in Bitcoin mining and digital currency trading, and is currently developing retail consumer products for Bitcoin and other digital currencies including mobile applications.

To implement this initiative, Macro has entered into a conditional Share Purchase Agreement to acquire 100% of the issued capital of DCC from its shareholders.

Transaction Highlights

- **digitalBTC will be the first digital currency focussed company listed on the ASX**
- **Digital currencies are evolving to revolutionise the way people make transactions, quickly and at low cost**
- **Experienced management team with proven business track records**
- **Capital Raising oversubscribed – firm commitments executed for maximum raise of \$9.1m**

Digital Currencies and Bitcoin

- Bitcoin is a peer-to-peer payment system and digital currency, with a total market capitalisation of over US\$8 billion and approximately 66,000 transactions occurring daily at a total trade value of US\$55 million, on a rolling twelve month basis (refer <http://blockchain.info/stats>). Across the major US\$ Bitcoin exchanges, in excess of US\$20 million in value is regularly traded every 24 hours. Use of other digital currencies is also fast growing.
- Digital currencies such as Bitcoin, are continually evolving through new technologies and applications which are set to revolutionise the way people make transactions. Over 44,000 merchants now accept Bitcoin. digitalBTC is well placed to take advantage of this disruptive revolution and will investigate further strategic opportunities within the digital currency sector.

Overview of digitalBTC

- An innovative digital currency company, with **current operations that are cash flow positive** and focus on Bitcoin, as Bitcoin accounts for the significant majority of the digital currency market.
- digitalBTC strategy encompasses:
 - **Established Bitcoin mining revenues** including strategic agreements with key Bitcoin mining partners, hardware manufacturers and industry participants.
 - **Established trading desk and market making revenues** undertaken across a range of Bitcoin exchanges and backed by management experienced in physical commodities trading.
 - **Development of retail consumer products** including digital currency mobile applications, again backed by management expertise and experience in the development, delivery and monetisation of mobile and consumer applications and software.

- digitalBTC's Bitcoin mining and trading operations will support the future development of retail consumer targeted software and applications.
- **Well-credentialed management team behind digitalBTC**, headed by Zhenya Tsvetnenko and experienced in digital marketing, software and application development, commodities trading and Bitcoin mining.
- Following completion of the transaction, digitalBTC will be the first ASX listed company offering exposure to the Bitcoin system and will gain advantage from the robust corporate transparency and compliance required by the ASX listing.
- Long term growth to be delivered through development of consumer applications for the Bitcoin space, with **significant market growth expected as digital currencies mature and gain widespread adoption as a system of payment.**

The Capital Raising of \$9.1 million before costs is being completed as part of the Transaction and firm commitments have been received for the full amount. Funds raised will support expanded Bitcoin trading and mining activities, alongside development of the digital currency retail mobile applications. The raising is being arranged by DJ Carmichael and has closed oversubscribed.

digitalBTC Executive Chairman, Mr Zhenya Tsvetnenko, welcomed the acquisition and associated additional growth capital.

“Bitcoin is a highly exciting and fast emerging currency system which I believe will dramatically change the way in which many users approach making payments or financial transfers in our new hyper-connected, globalised world where the old boundaries and intermediaries between citizens and firms in different locations become less relevant,” said Mr Tsvetnenko.

“As the Bitcoin system matures beyond its initial niche and begins to realise its true disruptive potential, sophisticated service firms will be increasingly required to facilitate the system. We believe that sophisticated intermediaries such as digitalBTC can derive significant profit in supporting this emerging growth phase of Bitcoin, as it takes its place as a true worldwide currency.

“We are pleased to have reached the acquisition deal with Macro, which will give us the platform and capital to take our support of and growth with the Bitcoin system to the next level, as well as offering public market investors one of the first opportunities to participate in the potential upside inherent in Bitcoin.

“Whilst Bitcoin is the leading digital currency system, digitalBTC will also participate in other emerging digital currencies as they enjoy similar growth rates to Bitcoin and will compliment and support digitalBTC 's overall business strategy.” Mr Tsvetnenko said.

Managing Director of Macro, Mr Brett Lawrence, said the company had been looking for high quality investments, with digitalBTC fulfilling all key criteria.

“digitalBTC offers our shareholders significant potential upside in a very fast growing and revolutionary sector. The strong support shown by new investors, having received firm commitments exceeding \$9.1 million under the Capital Raising, underlines investor confidence in the future of the Bitcoin system. The Board unanimously recommends the acquisition which will be put to shareholders for approval,” Mr Lawrence said.

Transaction Overview

Share Purchase Agreement

The Share Purchase Agreement between the Company and the current shareholders of DCC is legally binding and subject to conditions precedent that include the following:

- Macro shareholders approving:
 - the issue of securities to the shareholders of DCC in consideration for all of the issued capital in DCC;
 - the issue of shares pursuant to the Capital Raising;
 - a change in the nature and scale of the Company's activities; and
 - the consolidation of the issued capital of the Company;
- Macro successfully completing the Capital Raising;
- Macro and DCC completing due diligence processes;
- there being no material adverse change in respect of Macro and DCC;

- Macro and DCC obtaining all third party consents, approvals or waivers to the transaction; and
- Macro obtaining the conditional approval of ASX for re-instatement of its securities to quotation.

The Share Purchase Agreement also contains a number of standard terms and conditions, including representations and warranties from each party, considered standard for an agreement of this nature.

Loan Agreement

As part of and until completion of the transaction, the Company intends to provide digitalBTC with a loan facility of up to \$2 million to enable digitalBTC to immediately acquire new Bitcoin mining hardware, as a key part of its current business plan and under strategic supplier arrangements. The loan will be on commercial arm's length terms and repayable by digitalBTC if the transaction does not proceed.

Transaction Change of Activities

The acquisition of digitalBTC will result in a change in the Company's nature and scale of activities, and will require shareholder approval under Chapter 11 of the ASX Listing Rules as well as require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. The Company will despatch to shareholders a notice of meeting seeking the relevant approvals to undertake this process, with such notice of meeting to contain detailed information relating to the acquisition of digitalBTC, including an independent expert's report on the transaction.

Share Consolidation

As part of the transaction, and subject to the approval of shareholders, the Company will undertake a consolidation of its capital at a ratio of 5.715:1 to meet ASX Listing Rule requirements.

Name Change

As part of the transaction, the Company will seek the approval of shareholders to change its name to "DigitalCC Limited".

Change of Board

Following the completion of the transaction, the Company will see a change of Board, with each of the existing Directors stepping down from their positions to be replaced by each of the following:

Zhenya Tsvetnenko (Executive Chairman)

Mr Tsvetnenko is a successful businessman in the mobile premium messaging services sector including data, music, games, and news. He is a well-known and successful entrepreneur in the technology sector and is also the founder and current MD of Mpire Media, a privately held global multimedia and online advertising company servicing international clientele.

Mr Tsvetnenko was awarded the prestigious Ernst and Young Entrepreneur of the Year 2010 young category and the Western Australian Business News 40 under 40 awards in 2011. In 2009 Mr Tsvetnenko debuted on the BRW Young Rich list.

Alex Karis (CEO / Managing Director)

Mr Karis is President and founder of Karis Marketing Group, one of the leading US digital marketing companies providing online marketing support services to major US Telecom carriers.

Mr Karis has over 10 years experience in the online display and mobile content space, managing projects for clients such as Bank of New York Mellon, Martha Stewart Living and AT&T. He holds a bachelor degree in Marketing at The University of Massachusetts Amherst.

Emmanuel Abiodun (Director)

Emmanuel Abiodun graduated from Queen Mary University of London in 2005 with a degree in Electronic Engineering. He worked in the oil and gas industry as a software consultant before plying his trade in the Investment Banking world. Emmanuel held positions at JP Morgan and HSBC investment banks, where his knowledge of finance and financial systems matured.

He has been intimately involved with Bitcoin since 2010 and launched what is today's largest Bitcoin mining company CloudHashing.com in February 2013. Emmanuel joins the digitalBTC board, bringing his vast experience in Bitcoin and the Bitcoin mining space.

William Brindise (Director)

Mr Brindise has over 15 years experience in trading energy, metal and grain options and futures. He started his career on the NYMEX working for ZAR trading and after few years started his own trading and brokerage company, BAK. After 4 successful years he moved off the floor when NYMEX trading became digital and took a job working for the hedge fund SHK Management.

Mr Brindise will continue to oversee proprietary trading desk operations and is now focusing on trading Bitcoins at digitalBTC. He holds a bachelor degree in Business and Finance from the Boston University

Indicative Capital Structure

The indicative capital structure of the Company following completion of the acquisition of digitalBTC and its re-instatement to trading on ASX is set out below (on a post-consolidation basis).

	Shares	Options	Performance Rights
Current issued capital (prior to consolidation)	217,607,664	16,000,000	Nil
Issue of Options for services provided unrelated to the Acquisition (prior to consolidation)	Nil	6,000,750	Nil
Estimated issued capital following the proposed Consolidation (5.715:1)	38,076,581	3,849,650	Nil
Proposed issue of securities to vendors of digitalBTC	82,764,655	8,316,710	24,950,130
Proposed issue pursuant to the proposed capital raising (at \$0.20)	45,500,000	Nil	Nil
Total estimate on completion of the matters contemplated by all Acquisition Resolutions on a post-Consolidation basis	166,341,236	12,166,360	24,950,130

Indicative Timetable

An indicative timetable for the transaction is set out below. The Company notes that the timetable may be subject to change.

Event	Date
Despatch Notice of Meeting to shareholders	26 March (Wed)
Lodge Prospectus with ASIC	26 March (Wed)
General Meeting	29 April (Tue)
Prospectus offer closes	14 May (Wed)
Completion / Despatch Holding Statements	by 26 May (Mon)
Re-quotations of MEJ securities	Around 27 May (Tue)

Following completion of the transaction (assuming shareholder approval is received) the Company will have an implied pro-forma market capitalisation (at \$0.20 post consolidation share price) of \$33.2 million, with approximately \$12.4 million in cash on-hand (pre capital raising expenses) and an enterprise value of \$20.8 million.

-ENDS-

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Bitcoin and Digital Currencies

Digital currencies are continually evolving through innovation in cutting-edge technologies which are set to revolutionise the way people make transactions. *Bitcoin is the majority of the overall digital currency market.*

- Bitcoin is a global, decentralized and open source peer-to-peer (P2P) network
- Bitcoin is not controlled by any single company, individual, organization or government
- Bitcoin money supply, transaction processing and verification is carried out collectively by network
- Bitcoin is backed by cryptography, not a physical commodity or sovereign obligation

Bitcoins are used by consumers, merchants and investors for:



GLOBAL CURRENCY

Buy Goods & Services
Frictionless Online Payment



TRANSFER MONEY

Global Payments
Low Cost Transactions



STORE OF WEALTH

Alternative Asset Class
Hedge Against FIAT Currency

Bitcoin is a cryptocurrency as it relies on the principles of cryptography to validate transactions and govern the production of the currency itself. Each Bitcoin and each user is encrypted with a unique identity and recorded on a decentralized public ledger (blockchain) that is visible to all computers on the network, but does not reveal personal information. The public ledger solves the double spending problem and eliminates the need for a third party clearing house. The network verifies the integrity of electronic transactions between a buyer and a seller.

The Bitcoin eco-system is designed to incentivise participants. "Bitcoin miners" solve computational equations to generate new Bitcoins, closely coupled with the verification of previous transactions. The participant that successfully solves the equation first receives consideration in new bitcoin supply. As bitcoin supply increases, the algorithm complexity rises, requiring more computing power to maintain competitive function of the system.

One of the most promising applications of Bitcoin is as a platform for financial innovation.

Bitcoin is fast becoming accepted and used as a global currency, challenging existing payment systems and money transfer providers; **Western Union, Swift, PayPal, VISA, Mastercard.**

The growth potential for Bitcoin as a money transfer platform is huge.

digitalBTC Overview

