

5. DISTRIBUTION COVENANT

In consideration of the matters recited in and the subject of this deed (including without limitation the undertakings and releases given hereby) HPPL and the Trustee covenant and agree with each other and the other parties hereto that they will implement the following according to these terms:

- (a) to the extent that it is lawfully permitted and subject to sub-clause (i), HPPL shall pay dividends to holders of A Class shares in HPPL, based upon a proportion of the Hope Downs Net Cash Flow After Tax commencing 6 September 2011, with the first such payment being made in respect of the quarter ending on 31 December 2011 and subsequent payments being made in respect of each quarter ending on 31 March, 30 June, 30 September and 31 December, each payment being made as soon as practicable after the end of the respective quarter and calculated as follows:
- (i) twenty-five per cent (25%) of the Hope Downs Net Cash Flow After Tax;
  - (ii) a further twenty-five per cent (25%) of the Hope Downs Net Cash Flow After Tax, less any amounts required to be retained for HPPL's and the Hancock Group's equity requirements in relation to additional developments of or associated with the Hope Downs Joint Venture and/or the development of the Hope Downs resources as determined by the Directors of HPPL and/or HHD in accordance with the requirements of the HDJV, and subject to the further requirements of this Clause 5;
- (b) subject to sub-clause (a) the Trustee shall pay any dividend received from HPPL in accordance with sub-clause (a) above to the Beneficiaries in equal shares of one-quarter each on the relevant dates as noted in sub-clause (a) above;
- (c) if any one or more of the Beneficiaries commit a breach of this deed at any time then:
- (i) HPPL's obligation to pay further dividends on the A Class shares pursuant to sub-clause (a) shall immediately cease from and after a date fourteen days after the service by HPPL on all other executing

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parties to this deed of a notice in writing advising of the breach which has been committed and advising the notice recipients that HPPL's said obligation will cease on the said date fourteen days after service of the notice if the said breach has not by then been rectified; the parties each undertake to advise HPPL in writing if and when they or any of them first become aware that any party has or may have committed a breach of this deed;

- (i) subject to clause 5(a)(i) HPPL shall pay any further dividends to holders of the B Class shares in HPPL on the same terms as to time and amount as set out in sub-clause (a);
  - (ii) upon the cessation of the default and the carrying out or payment by the defaulting party of any remedy or damages to be performed or paid pursuant to any judgment consequent upon the default or upon any settlement of the same, HPPL shall reinstate the arrangements referred to in clause 5(a) and any further declaration of dividend pursuant to clause 5(a)(i) shall thereupon cease;
- (c) any default by a Beneficiary under the Deed of Obligation and Release dated 1 April 2005 (or as such is amended in writing by mutual agreement of all parties thereto) shall be deemed to be a default by that Beneficiary under this deed for the purpose of this clause;
- (d) within one hundred and twenty (120) days of the end of any financial year of HPPL in respect of which payments are made under sub-clause 5(a) any amount calculated under this Clause 5 shall be verified by an independent auditor appointed by HPPL at the request of any Beneficiary. A copy of the audit certificate will be provided to each Beneficiary. Any adjustments to the amounts paid required as a consequence of the audit shall be made as soon as practicable after the date of the audit certificate. The cost of such audit will be borne by all Beneficiaries receiving any payment under Clause 5 for the relevant year, in equal proportions; and
- (e) payments under this Clause 5 shall immediately cease upon the declaration of an Event of Force Majeure under the HDJV and shall resume upon such an event abating and being rectified.