

ASX ANNOUNCEMENT

NOTICE UNDER SECTION 708AA OF THE CORPORATIONS ACT 2001

18 March 2015

Admedus Limited (**Company**) has today announced that it is proposing to despatch to eligible shareholders an offer document in respect of a non-renounceable rights issue of up to 230,587,684 shares (**New Shares**) each at an issue price of \$0.07 to raise \$16,141,138 on the basis of 1 New Share for every 7 shares held on the record date of 26 March 2015 (**Offer**).

The Company hereby gives notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (**Act**) that:

- (a) the Company will offer the New Shares under the Offer without disclosure under Part 6D.2 of the Act;
- (b) the Company is providing this notice under paragraph 2(f) of section 708AA of the Act;
- (c) at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act;
- (d) at the date of this notice, there is no information:
 - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (B) the rights and liabilities attaching to the New Shares; and
- (e) the potential effect the issue of the New Shares will have on the control of the Company, and the consequences of that effect, is as follows:
 - (i) if all eligible shareholders take up their entitlement to New Shares, the Offer would have no material effect on the control of the Company as eligible shareholders would continue to hold materially the same percentage interest in the Company;

- (ii) the percentage shareholding interests of shareholders who are not eligible shareholders will be diluted because those shareholders are not entitled to participate in the Offer;
- (iii) in the more likely event that there is a shortfall, eligible shareholders who do not subscribe for their full entitlement of New Shares under the Offer and ineligible shareholders unable to participate in the Offer will be diluted relative to those shareholders who subscribe for some or all of their entitlements;
- (iv) to the extent New Shares which are not subscribed for under the Offer are allotted under the shortfall facility, the percentage of shareholder interests of the Company's shareholders who do not take up their entitlement to New Shares will also be diluted; and
- (v) in relation to any personal participating in the shortfall offer, the Company will have regard to the takeovers prohibition in section 606 of the Act, on the basis that no person will be issued New Shares if such issue will result in their voting power in the Company increasing from 20% or below to more than 20%.

Further details regarding the Offer are set out in the Offer Document.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S. Mann'.

Stephen Mann
Company Secretary