

2 August 2016

Centralised Company Announcements Platform
Australian Stock Exchange
10th floor, 20 Bond Street
Sydney NSW 2000

Dear Sir / Madam,

Appendix 3B – Entitlement Offer

The Board of Directors of Admedus Ltd (ASX: AHZ) hereby announces that the Company is proposing to despatch to eligible shareholders an offer document in respect of a renounceable rights issue of approximately 25,173,092 shares (**New Shares**) each at an issue price of \$0.33 to raise approximately \$8,307,121 on the basis of 1 New Share for every 9 shares held on the record date of 15 August 2016.

Refer to the attached Appendix 3B.

Yours sincerely

For and on behalf of Admedus Limited

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

Stephen Mann
Company Secretary

***New issue announcement,
application for quotation of additional securities
and agreement***

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

ADMEDUS LIMITED

ABN

35 088 221 078

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Ordinary shares fully paid |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Approximately 25,173,093 ordinary shares fully paid (New Shares) pursuant to the Company's renounceable entitlement offer (Entitlement Offer) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary shares fully paid ranking equally with existing ordinary shares fully paid. |

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes
5	Issue price or consideration	\$0.33 per New Share to raise a total of approximately \$8,307,121
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The purpose of the Entitlement Offer is outlined in the Company's announcement dated 29 July 2016.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	13 November 2015
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A				
6f	Number of securities issued under an exception in rule 7.2	25,173,093 (Exception 1)				
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A				
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Listing Rule 7.1 capacity: 16,445,382 Listing Rule 7.1A capacity: 18,495,667				
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	New Shares will be issued on or about 5 September 2016				
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>Following the Entitlement Issue, approximately 251,730,922 (this includes the issue of 30,303,031 shares on or around 5 August 2016 pursuant to the placement announced on 29 July 2016).</td><td>Ordinary Shares</td></tr></table>	Number	+Class	Following the Entitlement Issue, approximately 251,730,922 (this includes the issue of 30,303,031 shares on or around 5 August 2016 pursuant to the placement announced on 29 July 2016).	Ordinary Shares
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+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	213,334
		18/05/17 \$0.60 options
		200,000
		01/03/18 \$0.60 options
		1,505,007
		18/06/18 \$0.95 options
		300,000
		01/07/18 \$1.70 options
		1,500,000
		21/05/19 \$1.70 options
		900,000
		16/12/18 \$2.70 options
		200,000
		01/02/19 \$2.45 options
		410,000
		05/11/19 \$2.10 options
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	1,885,000
		30/06/20 \$1.17 options
		1,350,000
		21/07/20 \$1.44 options
		200,000
		10/12/20 \$1.39 options
		475,000
		10/12/20 \$0.83 options
		5,250,000
		18/12/20 \$0.79 warrants
		380,000
		23/12/20 \$0.79 warrants
		250,000
		24/06/21 \$0.30 options
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	1 New Share for every 9 Shares held at the Record Date
14	+Class of +securities to which the offer relates	Ordinary Shares
15	+Record date to determine entitlements	15 August 2016
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Any fractional entitlement will be rounded up to nearest whole share
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries except Australia, New Zealand, Singapore and the United Kingdom.
19	Closing date for receipt of acceptances or renunciations	29 August 2016 (3.00pm WST)

+ See chapter 19 for defined terms.

20	Names of any underwriters	Patersons Securities Ltd
21	Amount of any underwriting fee or commission	A management fee of 1.0% of the total gross amount raised in relation to the Entitlement Offer and a selling fee of 4.5% of the total gross amount raised in relation to the Entitlement Offer.
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	18 August 2016
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	1 August 2016
28	Date rights trading will begin (if applicable)	12 August 2016
29	Date rights trading will end (if applicable)	22 August 2016
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Eligible Shareholders who wish to sell their entitlements in full on ASX through a broker should instruct their stockbroker personally and provide the details requested, as set out in the Entitlement and Acceptance Form. All ASX sales of entitlements must be made by close of the rights trading period on 22 August 2016.

+ See chapter 19 for defined terms.

31 How do ⁺security holders sell *part* of their entitlements through a broker and accept for the balance?

Eligible Shareholders who wish to sell part of their entitlements through a broker and accept for the balance must:

- in respect of the part of their entitlement being taken up, complete and return the Entitlement and Acceptance Form to the Registry along with the required Application Monies (being the issue price of \$0.33 multiplied by the number of New Shares accepted); and
- in respect of the part of the entitlement to be sold, instruct their stockbroker personally and provide the details requested, as set out in the Entitlement and Acceptance Form.

All ASX sales of entitlements must be made by close of the rights trading period on 22 August 2016.

⁺ See chapter 19 for defined terms.

32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Eligible Shareholders who wish to transfer all or part of their entitlement to another person other than on ASX (provided the purchaser has an address in Australia, New Zealand, Singapore or the United Kingdom and is not in the United States or acting for the account or benefit of a person in the United States) must: • if they are a shareholder on the issuer sponsored subregister, forward a completed standard renunciation and transfer form to the Registry along with the transferee's required Application Monies (being the issue price of \$0.33 multiplied by the number of New Shares they wish to subscribe for); and • if they wish to transfer all or a proportion of their entitlement to another person on the CHESS subregister, they must engage their CHESS controlling participant (usually their stockbroker).
33	+Despatch date	6 September 2016

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

+ See chapter 19 for defined terms.

- 36 ☐ N/A
If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
N/A
- 37 ☐ A copy of any trust deed for the additional +securities
N/A

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A	
39	Class of +securities for which quotation is sought	N/A	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: - the date from which they do - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	N/A	
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	Number	+Class
		N/A	N/A

+ See chapter 19 for defined terms.

Quotation agreement

1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those ⁺securities should not be granted ⁺quotation.
- An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

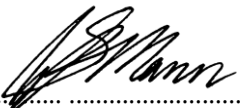
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
- If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before ⁺quotation of the ⁺securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

.....

Date: 2 August 2016

Company secretary

Print name:

..Stephen Mann.....

Calculation of placement capacity under rule 7.1 and rule 7.1A for ⁺eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	184,539,904
Add the following: • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period Note: • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	125,667 291,108 0
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	184,956,679

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	27,743,501
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	11,298,119
“C”	11,298,119
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	27,743,501
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	11,298,119
Total [“A” x 0.15] – “C”	16,445,382 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	184,956,679
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	18,495,667
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	Nil
“E”	Nil

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	18,495,667
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	18,495,667 <i>Note: this is the remaining placement capacity under rule 7.1A</i>