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4 January 2018

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
Sydney, NSW, 2000

Dear Sirs,

MAGONTEC LIMITED – Lapse of Performance Rights

Performance Rights (as per Table 1) to acquire ordinary shares in Magontec Limited were issued to certain executives on 19 May 2017 under the terms of Resolution 5 approved by shareholders at the Company's Annual General Meeting on 17 May 2017.

Table 1

Performance Rights Issued 19 May 2017		Issued To Executive Chairman ⁽¹⁾	Issued To Other Executives ⁽²⁾	Total No. Issued
Performance Period	Granted			
1 Jan 2015 to 31 Dec 2017	19 May 2017	6,833,947	16,142,842	22,976,789
1 Jan 2016 to 31 Dec 2018	19 May 2017	6,811,172	18,938,710	25,749,882
1 Jan 2017 to 31 Dec 2019	19 May 2017	4,275,488	11,345,658	15,621,146
Total		17,920,607	46,427,210	64,347,817

Note 1. As per Document 4 of 4 Appendices 3B lodged with the ASX on 19 May 2017

Note 2. As per Document 3 of 4 Appendices 3B lodged with the ASX on 19 May 2017

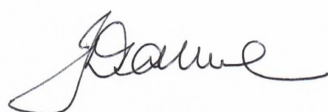
The Performance Rights in respect of the performance period 1 January 2015 to 31 December 2017 had the capacity to partially or fully vest as/convert to, ordinary shares if the closing share price on 31 December 2017 of the Company's shares was at or above \$0.046. That criterion was not satisfied and therefore Performance Rights to the extent of 22,976,789 lapsed on 31 December 2017.

Following that change the Company's securities on issue is summarised in Table 2.

Table 2

Ordinary shares on issue	1,140,073,483
Performance Rights on issue	41,371,028
Total Securities on Issue	1,181,444,511

Yours sincerely,



Mr John Talbot
Company Secretary
Magontec Limited