



18th May 2010

Company Announcements Office
Australian Securities Exchange

Options exercised - Shares issued

Nanosonics Limited (ASX code: NAN) advises that 600,000 new quoted ordinary shares have been issued in respect of options exercised under the Nanosonics Employee Share Option Plan (ESOP) and the Nanosonics General Share Option Plan (GSOP).

Since 4th March 2010, 25,000 options have lapsed.

Appended below is the applicable Appendix 3B, New Issue Announcement.

Nanosonics has a total of 225,753,032 quoted fully paid ordinary shares on issue and a total of 6,263,000 unquoted share options on issue in various classes.

Notice under Section 708A(5)(e)

Nanosonics (the Company) advises that, on 17th May 2010, the Company issued 600,000 ordinary shares in respect of share options exercised as described above.

As at 18th May 2010, Nanosonics Limited gives notice under section 708A(5)(e) of the Corporations Act 2001 (Corporations Act) that:

1. The Company issued the securities without disclosure to investors under Part 6D.2 of the Corporations Act.
2. The Company has complied with the provisions, as they apply to the Company, of Chapter 2M of the Corporations Act and with Section 674 of the Corporations Act; and
3. There is no information:
 - a. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and
 - b. which investors and their professional advisors would reasonably require for the purpose of making an informed assessment of the assets and liabilities, financial performance, profits and losses and prospects of Nanosonics, or the rights and liabilities attaching to Nanosonics ordinary shares.

Chris Grundy
Company Secretary
Nanosonics Limited

For more information please contact Chris Grundy, Chief Financial Officer and Company Secretary, on 61-2-8063 1600.

About Nanosonics

Nanosonics Limited is developing a portfolio of decontamination products designed to reduce the spread of infection. The Company owns intellectual property relating to a unique disinfection and sterilisation technology which can be suited to a variety of markets.

Initial market applications are designed for the reprocessing of reusable medical instruments. The Company's first product is designed to disinfect Ultrasound Transducers. In parallel with the commercialisation of this product, Nanosonics is also developing other medical applications and exploring opportunities for its proprietary technology in other industries.

For more information about Nanosonics please visit www.nanosonics.com.au

Appendix 3B

New issue announcement

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 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Nanosonics Limited

ABN

11 095 076 896

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 | Quoted ordinary shares, fully paid. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 600,000 |
| 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) | New quoted shares issued in respect of options exercised in terms of the Company's Employee Share Option Plan (ESOP) and General Share Option Plan. |

Appendix 3B
New issue announcement

| <p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 | <p>Yes. The shares issued rank equally in every respect with and are included with 225,753,032 quoted ordinary shares (ASX code NAN) see note 8 below.</p> | | | | | | | | | | | | |
|--|---|--------|--|-------------|---|-----------|--|---------|--|--------|--|--------|--|
| <p>5 Issue price or consideration</p> | <p>\$0.20 per share</p> | | | | | | | | | | | | |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>New shares issued upon the exercise of share options under the ESOP.</p> | | | | | | | | | | | | |
| <p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p> | <p>17th May 2010</p> | | | | | | | | | | | | |
| <p>8 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)</p> | <table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>225,753,032</td> <td>ASX code NAN Fully paid ordinary shares</td> </tr> </tbody> </table> | Number | +Class | 225,753,032 | ASX code NAN Fully paid ordinary shares | | | | | | | | |
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| <p>9 Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)</p> | <table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>1,350,000</td> <td>ASX code NANAU - Unquoted General Options, with exercise price of A\$0.20, expiring on 17 May 2011.</td> </tr> <tr> <td>1,380,000</td> <td>ASX code NANAY - Unquoted Employee Options, with exercise price of A\$0.20, expiring on 17 May 2011.</td> </tr> <tr> <td>473,000</td> <td>ASX code NANAI - Unquoted Employee Options, with exercise price of A\$0.75, expiring on 17 May 2011.</td> </tr> <tr> <td>40,000</td> <td>ASX code NANAM - Unquoted General Options, with exercise price of A\$0.20, expiring on 17 July 2011.</td> </tr> <tr> <td>50,000</td> <td>ASX code NANAW - Unquoted General Options, with exercise price of A\$0.30, expiring on 17 July 2011.</td> </tr> </tbody> </table> | Number | +Class | 1,350,000 | ASX code NANAU - Unquoted General Options, with exercise price of A\$0.20, expiring on 17 May 2011. | 1,380,000 | ASX code NANAY - Unquoted Employee Options, with exercise price of A\$0.20, expiring on 17 May 2011. | 473,000 | ASX code NANAI - Unquoted Employee Options, with exercise price of A\$0.75, expiring on 17 May 2011. | 40,000 | ASX code NANAM - Unquoted General Options, with exercise price of A\$0.20, expiring on 17 July 2011. | 50,000 | ASX code NANAW - Unquoted General Options, with exercise price of A\$0.30, expiring on 17 July 2011. |
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+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | |
|-----------|---|
| 250,000 | ASX code NANAZ - Unquoted Employee Options, with exercise price of A\$0.75, expiring on 17 July 2011. |
| 80,000 | ASX code NANAA - Unquoted Employee Options, with exercise price of A\$0.75, expiring on 30 November 2011. |
| 500,000 | ASX code NANAB - Unquoted Employee Options, with exercise price of A\$0.30, expiring on 19 November 2012. |
| 50,000 | ASX code NANAC - Unquoted General Options, with exercise price of A\$0.30, expiring on 19 November 2012. |
| 75,000 | ASX code NANAD - Unquoted Employee Options, with exercise price of A\$0.30, expiring on 19 November 2012. |
| 500,000 | ASX code NANAE - Unquoted Employee Options, with exercise price of A\$0.30, expiring on 16 June 2013. |
| 1,295,000 | ASX code NANAF - Unquoted Employee Options, with exercise price of A\$0.345, expiring on 26 June 2013. |
| 100,000 | ASX code NANAG - Unquoted General Options, with exercise price of A\$0.345, expiring on 26 June 2013. |
| 70,000 | ASX code NANAH - Unquoted General Options, with exercise price of A\$0.345, expiring on 26 June 2013. |
| 50,000 | ASX code NANAJ - Unquoted General Options, with exercise price of A\$0.55, expiring on 5 January 2014. |

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Shares issued under the ESOP and GSOP rank equally with all other ordinary shares on issue.

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | | |
|----|--|--|
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the +securities will be offered | |
| 14 | +Class of +securities to which the offer relates | |
| 15 | +Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 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
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

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
- 36 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

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

10,001 - 100,000
 100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

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

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)

| | Number | +Class |
|----|--|--------|
| 42 | Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38) | |


+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

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...18th May 2010.

Print name:

Chris Grundy
CFO & Company Secretary

+ See chapter 19 for defined terms.