Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

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 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

UNIVERSAL BIOSENSORS, INC.

ABN

51 121 559 993

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	1. Unquoted employee options over Universal Biosensors, Inc. shares of common stock. 2. Shares of common stock traded in the form of CHESS Depositary Interests (CDI's).
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	1. 2,300,000 employee options 2. 1,213 CDI's

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)	1. Subject to terms and conditions of the Universal Biosensors, Inc. employee option plan. Exercise price: A $1.38 The exercise price has been calculated as the closing price of Universal Biosensor's common stock on Australian Securities Exchange on the day on which the employee options were granted. Grant date: 24 February 2011 Expiry date: 23 February 2018 Vesting of employee options: 466,666 vesting on 31 December 2011; 466,666 vesting on 31 December 2012; 466,668 vesting on 31 December 2013; 500,000 of the options vest upon the company entering into a material partnership/licensing agreement for at least one major market with respect to one or more of the non-blood glucose products currently in development; 400,000 options vest upon CE marking or first regulatory approval in the United States of the final test to which the partnership/licensing arrangement relates, subject to continued employment at the time of vesting. 2. Same terms as existing shares of common

+ 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	1. No. Unquoted employee options to be issued. Shares of common stock issued on exercise of the employee options will rank equally with existing shares of common stock. To participate in a dividend, the ordinary shares underlying the employee options would need to be issued prior to the record date for the dividend. 2. Yes
5	Issue price or consideration	1. Nil 2. Nil
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	1. Issue of employee options to CEO following receipt of necessary stockholder approval 2. Release of 1,213 restricted shares and conversion into CDI's pursuant to the Universal Biosensors, Inc. employee share
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	13 May 2011

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)	158,931,385	CHESS Depositary Interests

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in	76,776	Shares of common stock (restricted) (Code UBIAC)

clause 2 if applicable)	1,516,770	Employee options expiring 30 December 2013 (Code: UBIAS)
	337,107	Employee options expiring 31 December 2015 (Code: UBIAQ)
	115,992	Employee options expiring 18 September 2016 (Code: UBIAU)
	623,000	Employee options expiring 22 March 2017 (Code: UBIAY)
	590,000	Employee options expiring 18 September 2017 (Code: UBIAI)
	824,000	Employee options expiring 16 March 2018 (Code: UBIAW)
	251,334	Employee options expiring 19 August 2018 (code: UBIAA)
	96,000	Employee options expiring 16 February 2019 (Code: UBIAK)
	66,667	Employee options expiring 14 May 2019 (Code: UBIAM)
	1,658,335	Employee options expiring 28 June 2019 (Code: UBIAZ)
	1,623,334	Employee options expiring 9 November 2019 (Code: UBIAB)
	50,000	Employee options expiring 10 February 2017 (Code: UBIAD)
	510,500	Employee options expiring on 10 November 2017 (Code: UBIAO)
	367,000	Employee options expiring on 9 March 2018
	2,300,000	Employee options expiring on 23 February 2018

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
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 Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
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	

+ See chapter 19 for defined terms.

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	
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*)

+ See chapter 19 for defined terms.

(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
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	

+ See chapter 19 for defined terms.

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)

42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class

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: (Company secretary) Date: 13 May 2011

Print name: Cameron Billingsley

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+ See chapter 19 for defined terms.