



ASX Release

Sydney, Australia Monday 12 December 2016

MEMPHASYS CAPITAL RAISING

Memphasys Limited (ASX: MEM) advises that it is raising funding of a minimum of \$800,000 and up to \$1 million through the issue of convertible notes. The notes will be secured against the Company's FY 2017 R&D tax refund to the extent of the value of the refund. Funding is expected to be completed within two weeks.

The funding comprises new capital and is led by two directors, Andrew Goodall and Alison Coutts who are contributing \$500,000 and \$300,000 respectively.

The convertibility of the notes will be subject to approval by shareholders under Listing Rule 10.11 at a general meeting of shareholders. The issue of Convertible Notes will be subject to the ASX granting a waiver under listing rule 10.1.

The key terms of the convertible notes are as follows:

Term: 1 year

Interest: 10% per annum, payable at the end of period

Conversion: 0.6 cents per share

The funding will be used for working capital, primarily to assist in the development of the next generation SpermSep device, and to fund litigation against PRIME and Manukan in Singapore. The Company is continuing with its negotiations to settle the dispute with PRIME and Manukan and is hopeful that a satisfactory resolution will be achieved shortly.

For further information please contact:

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About Memphasys:

Memphasys Limited (**ASX: MEM**) specialises in biological separations for commercial applications. The Company's patented membrane processes enable the selection of high value substances or contaminants from the fluid in which they are contained through use of surface charge of the substance and its size. The technology uses a combination of electrophoresis (the application of an electrical driving force through the fluid) and membranes of specific pore size.

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