

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 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, 04/03/13

Name of entity

Xenith IP Group Limited (**Xenith**)

ABN

88 607 873 209

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 | Fully paid ordinary shares in the capital of Xenith (New Shares). |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <p>21,638,744 New Shares will be issued to Griffith Hack sellers as part consideration for the acquisition of Griffith Hack (Consideration Shares), following security holder approval on 24 January 2017.</p> <p>As noted in the Appendix 3B released by Xenith on 19 December 2016, the Griffith Hack Sellers may also be entitled to additional consideration of up to \$20 million payable by way of cash and the issue of New Shares (Earn-out Consideration Shares). The maximum number of Earn-out Consideration Shares that may be issued by the Company is 2,847,215.</p> <p>The exact number of Earn-out Consideration Shares to be issued is not</p> |

known at the date of this Appendix 3B as it remains subject to the calculation of the Earn-out Consideration as disclosed in the Presentation released to ASX on 25 November 2016.

3 Principal terms of the +securities (e.g. 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)

The New Shares are fully paid ordinary shares.

4 Do the +securities rank equally in all respects from the +issue date 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

The New Shares will rank equally with existing fully paid ordinary shares. However the New Shares will not carry any entitlement to the 1HFY17 XIP dividend, even if the New Shares are issued on or before the Record Date for that dividend.

The New Shares will have a ticker code of XIPN

5 Issue price or consideration

\$3.161 per New Share.

6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)

As described in the ASX Announcement and Investor Presentation, and Notice of Extraordinary General Meeting lodged with ASX on Friday, 25 November 2016 and Friday, 23 December 2016 respectively, the proceeds of the issue will be used to part fund the acquisition of Griffith Hack by Xenith.

+ See chapter 19 for defined terms.

6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	Friday 18 November 2016
6c	Number of +securities issued without security holder approval under rule 7.1	Nil
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	21,638,744 New Shares (pursuant to security holder approval at the Extraordinary General Meeting on 24 January 2017).
6f	Number of +securities issued under an exception in rule 7.2	Nil
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	ASX Listing Rule 7.1 – 13,149,344 ASX Listing Rule 7.1A – 8,766,229

<p>7 +Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>Thursday, 2 February 2017</p>						
<p>8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 436 997 470">Number</th> <th data-bbox="997 436 1299 470">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 470 997 840"> <p>After the Consideration Shares have been issued there will be 87,662,299 ordinary shares on issue.</p> <p>(36,465,536 subject to voluntary escrow arrangements)</p> </td> <td data-bbox="997 470 1299 840"> <p>Ordinary Shares</p> </td> </tr> </tbody> </table>	Number	+Class	<p>After the Consideration Shares have been issued there will be 87,662,299 ordinary shares on issue.</p> <p>(36,465,536 subject to voluntary escrow arrangements)</p>	<p>Ordinary Shares</p>		
Number	+Class						
<p>After the Consideration Shares have been issued there will be 87,662,299 ordinary shares on issue.</p> <p>(36,465,536 subject to voluntary escrow arrangements)</p>	<p>Ordinary Shares</p>						
<p>9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 840 997 873">Number</th> <th data-bbox="997 840 1299 873">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 873 997 1019"> <p>45,680</p> </td> <td data-bbox="997 873 1299 1019"> <p>Performance Rights issued as disclosed in the Prospectus dated 28 October 2015</p> </td> </tr> <tr> <td data-bbox="686 1019 997 1243"> <p>602,942</p> </td> <td data-bbox="997 1019 1299 1243"> <p>Retention Rights issued as disclosed in the Prospectus dated 28 October 2015.</p> </td> </tr> </tbody> </table>	Number	+Class	<p>45,680</p>	<p>Performance Rights issued as disclosed in the Prospectus dated 28 October 2015</p>	<p>602,942</p>	<p>Retention Rights issued as disclosed in the Prospectus dated 28 October 2015.</p>
Number	+Class						
<p>45,680</p>	<p>Performance Rights issued as disclosed in the Prospectus dated 28 October 2015</p>						
<p>602,942</p>	<p>Retention Rights issued as disclosed in the Prospectus dated 28 October 2015.</p>						
<p>10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	<p>The New Shares will have the same dividend policy as the Fully Paid Ordinary Shares subject to the condition noted in 4 above.</p>						

Part 2 - Pro rata issue

<p>11 Is security holder approval required?</p>	<p>N/A</p>
<p>12 Is the issue renounceable or non-renounceable?</p>	<p>N/A</p>
<p>13 Ratio in which the +securities will be offered</p>	<p>N/A</p>
<p>14 +Class of +securities to which the offer relates</p>	<p>N/A</p>

+ See chapter 19 for defined terms.

15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
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 offer documents will be sent to persons entitled	N/A

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

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

+ See chapter 19 for defined terms.

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

N/A

39 +Class of +securities for which quotation is sought

N/A

40 Do the +securities rank equally in all respects from the +issue date 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

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

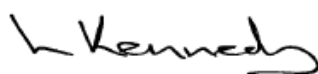
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) 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 is not available now, we 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:
(Director/Company secretary)

Date: 2 February 2017

Print name: Lesley Kennedy

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

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

Introduced 01/08/12 Amended 04/03/13

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 the +issue date or date of agreement to issue	32,816,368								
Add the following:									
<ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: right;">369,855</td> <td>20/9/2016 - share purchase plan - LR7.1(15)</td> </tr> <tr> <td style="text-align: right;">150,735</td> <td>25/11/2016 - employee incentive scheme - LR7.2(9)</td> </tr> <tr> <td style="text-align: right;">21,982,834</td> <td>19/12/2016 - Pro-rata Entitlement offer - LR7.2(1)</td> </tr> <tr> <td style="text-align: right;">6,353,670</td> <td>19/12/2016 - Pro-rata Entitlement offer - LR7.2(1)</td> </tr> </table>	369,855	20/9/2016 - share purchase plan - LR7.1(15)	150,735	25/11/2016 - employee incentive scheme - LR7.2(9)	21,982,834	19/12/2016 - Pro-rata Entitlement offer - LR7.2(1)	6,353,670	19/12/2016 - Pro-rata Entitlement offer - LR7.2(1)
369,855	20/9/2016 - share purchase plan - LR7.1(15)								
150,735	25/11/2016 - employee incentive scheme - LR7.2(9)								
21,982,834	19/12/2016 - Pro-rata Entitlement offer - LR7.2(1)								
6,353,670	19/12/2016 - Pro-rata Entitlement offer - LR7.2(1)								
<ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval 	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: right;">2,064,634</td> <td>29/8/2016 - Institutional placement - LR7.4</td> </tr> <tr> <td style="text-align: right;">2,285,459</td> <td>2/11/ 2016 - Placement to Watermark Group vendors - LR7.1</td> </tr> <tr> <td style="text-align: right;">21,638,744</td> <td>2/02/2017 - Placement to Griffith Hack Group vendors - LR7.1</td> </tr> </table>	2,064,634	29/8/2016 - Institutional placement - LR7.4	2,285,459	2/11/ 2016 - Placement to Watermark Group vendors - LR7.1	21,638,744	2/02/2017 - Placement to Griffith Hack Group vendors - LR7.1		
2,064,634	29/8/2016 - Institutional placement - LR7.4								
2,285,459	2/11/ 2016 - Placement to Watermark Group vendors - LR7.1								
21,638,744	2/02/2017 - Placement to Griffith Hack Group vendors - LR7.1								
<ul style="list-style-type: none"> Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	NIL								
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	NIL								

+ See chapter 19 for defined terms.

"A"	87,662,299
-----	------------

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	13,149,344
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <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> 	NIL
“C”	NIL
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>	13,149,344
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	NIL
Total [“A” x 0.15] – “C”	13,149,344 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

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>	87,662,229
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	8,766,229
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 <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – 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>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</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	NIL
“E”	NIL

+ See chapter 19 for defined terms.

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>	8,766,229
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	NIL
Total [“A” x 0.10] – “E”	8,766,229 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.