

12 December 2016

ESTIA HEALTH LIMITED

ACCELERATED NON-RENOUCEABLE PRO RATA ENTITLEMENT OFFER

NOTICE UNDER SECTION 708AA(2)(f) CORPORATIONS ACT 2001 (CTH)

This notice is given by Estia Health Limited (ASX Code: EHE) ("**Estia**") under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) ("**Act**") as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 ("**Legislative Instrument**").

Estia has announced an accelerated non-renounceable pro rata entitlement offer ("**Entitlement Offer**") of 1 fully paid ordinary share in Estia ("**New Share**") for every 3 Estia ordinary shares held as at 7.00 pm (Melbourne time) on 14 December 2016 by shareholders with a registered address in Australia, New Zealand and certain other jurisdictions in which Estia decides to extend the Entitlement Offer.

A Retail Information Booklet for the Entitlement Offer is expected to be dispatched to eligible retail shareholders on 19 December 2016.

Estia confirms that:

- (a) the New Shares will be offered for issue without disclosure under Part 6D.2 of the Act;
- (b) this notice is being given under section 708AA(2)(f) of the Act as modified by the Legislative Instrument;
- (c) as at the date of this notice, Estia has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to Estia; and
 - (ii) section 674 of the Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act that is required to be set out in this notice under section 708AA(7) of the Act; and
- (e) the potential effect the issue of New Shares will have on the control of Estia, and the consequences of that effect, will depend on a number of factors, including investor demand and existing shareholdings. Given:
 - (i) the Entitlement Offer is structured as a pro rata issue and is fully underwritten;
 - (ii) the current level of holdings of substantial holders in Estia (based on substantial holding notices that have been given to Estia and lodged with ASX on or prior to the date of this notice) ("**Substantial Holders**"); and
 - (iii) the fact Substantial Holders will not be issued any New Shares pursuant to any institutional or retail shortfall components of the Entitlement Offer,

including pursuant to any sub-underwriting arrangement, which would increase their substantial shareholding in Estia above 20% of the total number of ordinary shares on issue in Estia,

the issue of the New Shares under the Entitlement Offer is not expected to have a material effect or consequence on the control of Estia.

All queries in relation to the above should be addressed to:

Company Secretary
Estia Health Limited
357 Camberwell Road
Camberwell VIC 3124