

28 February 2018

Companies Announcements Office
ASX Limited

Dear Sirs

Notice under Section 708AA of the Corporations Act 2001 (Cth)

Traffic Technologies Limited ACN 080 415 407 (**TTI** or the **Company**), (ASX code: **TTI**) today announced a non-renounceable rights issue to 'Eligible Shareholders' on the basis of 3 fully paid ordinary share (**New Share**) for every 4 fully paid ordinary share held, at an issue price of \$0.03 per New Share to raise a maximum of \$6.2 million (before costs) by the issue of approximately 206,667,664 Shares (**Rights Issue**).

Eligible shareholders are those shareholders who are, as at 5.00pm AEST time on the Record Date (being 5 March 2018), registered with a registered address situated in Australia and New Zealand.

In accordance with section 708AA(2)(f) of the *Corporations Act 2001 (Cth)* (**the Act**), the Company gives notice that:

- (a) The New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Act;
- (b) This notice is given by the Company under section 708AA(2)(f) of the Act;
- (c) As at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act;
- (d) As at the date of this notice, there is no information:
 - (i) that has been excluded from a continuous disclosure notice in accordance with the Listing Rules of ASX; and
 - (ii) that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (B) the rights and liabilities attaching to the New Shares.

- (e) The issue of the New Shares may affect the control of the Company.

As the Rights Issue is not underwritten and the Company has not set a minimum amount to be raised under the Rights Issue offer, the potential effect of the Rights Issue on the control of the Company cannot be estimated. If all shareholders accepted and subscribed for all of their entitlement, the total issued shares would be as follows:

Issued Shares	Shares
Total issued capital of the Company as at the Record Date	275,556,885
Number of Shares offered under the Rights Issue (assuming maximum number of Shares are issued under the Rights Issue)	<u>206,667,664</u>
Total Issued Capital of the Company at completion of the Rights Issue	482,224,549

Investors should note the following:

- If particular eligible Shareholders do not take up all of their entitlements under the offer, the Share interests of those Shareholders will be diluted;
- The proportional interests of Shareholders with registered addresses outside Australia and New Zealand will be diluted because those Shareholders are not entitled to participate in the Rights Issue; and
- Should the Company's major Shareholders subscribe for their full entitlement under the Rights Issue, there will not be any material impact on the control of the Company following the issue of Shares under the Rights Issue.

Further details about the Rights Issue were announced on 28 February 2018.

For further information, please view our website (www.trafficltd.com.au) or contact:

Mr. Con Liosatos
Managing Director
T (03) 9430 0222

Yours faithfully



Peter Crafter
Company Secretary