

11 April 2018

The Manager
ASX Market Announcements
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Manager

Powerhouse Ventures Limited (ASX:PVL) - Cleansing notice in respect of accelerated non-renounceable pro-rata entitlement offer

Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Powerhouse Ventures Limited ARBN 612 076 169 (**Company**).

This notice is given in accordance with sections 708AA(2)(f) of the Corporations Act 2001 (Cth) (**Corporations Act**), as modified by Australian Securities and Investments Commission's Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**Legislative Instrument**).

Background

Powerhouse Ventures Limited (**PVL**) has announced an accelerated non-renounceable pro-rata entitlement offer (comprising both institutional and retail components) to raise up to a maximum of A\$5.8 million (before costs) (**Entitlement Offer**).

The Entitlement Offer will involve the offer of up to approximately 29 million fully paid ordinary shares in PVL (**New Shares**) on the basis of 1 new Share for every 1 Share held by eligible shareholders in PVL on the applicable record date (**Record Date**) at an issue price of A\$0.20 per Share.

The Entitlement Offer is not underwritten. The maximum amount to be raised under the Entitlement Offer is approximately AU\$5,797,273.

Powerhouse Shareholders may alternatively pay in New Zealand dollars at a price of NZ\$0.212 per New Share (based on an exchange rate fixed by Powerhouse of 1 Australian dollar equals 1.06 New Zealand dollars).

Cleansing notice in respect of the Entitlement Offer

With respect to the Entitlement Offer, the Company advises that:

- (a) the New Shares will be offered without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act, as modified by the Legislative Instrument;
- (c) as at the date of this notice, the Company has complied with:
 - (1) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (2) section 674 of the Corporations Act as it applies to the Company;

- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) or 708AA(9) of the Corporations Act, which is required to be set out under section 708AA(7) of the Corporations Act; and
- (e) the potential effect of the issue of the New Shares pursuant to the Entitlement Offer on the control of the Company and the consequences of that effect will depend on a number of factors, including the extent to which Eligible Shareholders take up New Shares under the Entitlement Offer and are described below.

- (1) If all Eligible Shareholders take up their entitlements under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of PVL.
- (2) If some Eligible Shareholders take up their entitlements under the Entitlement Offer, the interests of those Eligible Shareholders who do not take-up their entitlements under the Entitlement Offer will be diluted.

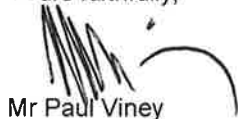
In addition, other Eligible Shareholders may be successful in applying for additional New Shares under the Entitlement Offer which will be further dilutive to Eligible Shareholders who do not take up their full Entitlement.

- (3) If no Eligible Shareholders take up their entitlements or shortfall under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of PVL.

The Company's Shareholders who are not Eligible Shareholders (being foreign Shareholders to whom an Entitlement Offer will not be made) are not entitled to participate in the Entitlement Offer and their percentage holding in the Company will be diluted.

An Appendix 3B with respect to the issue of the New Shares under the Entitlement Offer will be lodged with the ASX by the Company shortly.

Yours faithfully,



Mr Paul Viney
Chief Executive Officer and Local Agent
Powerhouse Ventures Limited