



25 January 2017

The Manager Announcements
Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

**NOTICE UNDER SECTION 708A(5)(e) OF THE CORPORATIONS ACT 2001 (CTH)
("Act")**

The Company gives this notice pursuant to Section 708A(5)(e) of the Act in relation to the issue of Shares and as set out in the Company's Appendix 3B dated 25 January 2017.

The Company issued the 1,283,578 Shares without disclosure to investors under Part 6D.2 of the Act.

The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Act as they apply to the Company; and
- (b) section 674 of the Act.

As at the date of this notice, there is no information to be disclosed that is excluded information under section 708A(7) of the Act, that is reasonable for investors and their professional advisers to expect to find in a disclosure document other than as set out in this notice.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Peter Hatfull".

Peter Hatfull
Algae.Tec Limited
Company Secretary

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

Name of entity

ALGAE.TEC LIMITED

ABN

16 124 544 190

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

1. Fully paid ordinary shares (**Shares**)
2. Convertible Note

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

1. 1,283,578 Shares
2. 1 Convertible Note

+ See chapter 19 for defined terms.

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New issue announcement

3 Principal terms of the +securities (eg, 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)

- | |
|---|
| <ol style="list-style-type: none"> 1. Shares 2. Principal terms of the Convertible Note: <ul style="list-style-type: none"> • A Maturity date of 18 months from date of issue • Conversion price of \$0.10 • Interest reate of 10% per annum – interest payable in cash • In the event of conversion, noteholder will be granted one option for every one Share issued, at an exercise price of \$0.075 each, expiring 25 January 2018 |
|---|

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

- | |
|--|
| <ol style="list-style-type: none"> 1. All shares issued rank equally in all respects from the date of issue with the existing class of fully paid ordinary shares. 2. Conversion shares rank equally in all respects from the date of issue with the existing class of fully paid ordinary shares. |
|--|

5 Issue price or consideration

- | |
|--|
| <ol style="list-style-type: none"> 1. Issued at a conversion price of \$0.04142 2. \$250,000 |
|--|

+ See chapter 19 for defined terms.

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>1. 1,283,578 shares issued as partial conversion of convertible notes issued to Magna Equities LLC as announced on 8 July 2016.</p> <p>2. Issue of Convertible Note to sophisticated investor as part of the capital raising to accelerate the commercialisation of the Company's production facilities and ongoing product development at its manufacturing and development centre in Atlanta, Georgia, USA</p>
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	28 November 2016
6c	Number of +securities issued without security holder approval under rule 7.1	1 Convertible note, convertible to maximum of 2,500,000 Shares and 2,500,000 unlisted options
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of securities issued under an exception in rule 7.2	1. 1,283,578 Shares
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

+ See chapter 19 for defined terms.

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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	Remaining 7.1 capacity – 15,053,998 Remaining 7.1A capacity – 34,683,585												
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	<ol style="list-style-type: none"> 1. 24 January 2017 2. 25 January 2017 												
8	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="791 779 1082 813">Number</th> <th data-bbox="1090 779 1369 813">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="791 824 1082 1014">347,565,446</td> <td data-bbox="1090 824 1369 1014">Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	347,565,446	Ordinary Shares								
	Number	+Class												
347,565,446	Ordinary Shares													
Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="791 1014 1082 1048">Number</th> <th data-bbox="1090 1014 1369 1048">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="791 1059 1082 1216">28,728,607</td> <td data-bbox="1090 1059 1369 1216">Unlisted options exercisable at \$0.1636 on or before 20 January 2019</td> </tr> <tr> <td data-bbox="791 1216 1082 1473">1</td> <td data-bbox="1090 1216 1369 1473">Convertible Note maturing on 9 July 2016 with a conversion price at \$0.075 and subject to adjustments in accordance with the terms and conditions of the Convertible Notes.</td> </tr> <tr> <td data-bbox="791 1473 1082 1597">1,000,000</td> <td data-bbox="1090 1473 1369 1597">Unlisted options exercisable at \$0.20 on or before 1 March 2018</td> </tr> <tr> <td data-bbox="791 1597 1082 1720">16,000,000</td> <td data-bbox="1090 1597 1369 1720">Unlisted options exercisable at \$0.09 on or before 30 June 2019</td> </tr> <tr> <td data-bbox="791 1720 1082 1984">650,000</td> <td data-bbox="1090 1720 1369 1984">Convertible Notes maturing on 22 July 2017 with a conversion price of \$0.049 and otherwise in accordance with the terms and conditions of the Convertible Notes</td> </tr> </tbody> </table>	Number	+Class	28,728,607	Unlisted options exercisable at \$0.1636 on or before 20 January 2019	1	Convertible Note maturing on 9 July 2016 with a conversion price at \$0.075 and subject to adjustments in accordance with the terms and conditions of the Convertible Notes.	1,000,000	Unlisted options exercisable at \$0.20 on or before 1 March 2018	16,000,000	Unlisted options exercisable at \$0.09 on or before 30 June 2019	650,000	Convertible Notes maturing on 22 July 2017 with a conversion price of \$0.049 and otherwise in accordance with the terms and conditions of the Convertible Notes	
Number	+Class													
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16,000,000	Unlisted options exercisable at \$0.09 on or before 30 June 2019													
650,000	Convertible Notes maturing on 22 July 2017 with a conversion price of \$0.049 and otherwise in accordance with the terms and conditions of the Convertible Notes													

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262,755	Unlisted options exercisable at \$0.10 on or before 29 January 2017
125,000	Convertible Notes maturing on 8 August 2017 with a Conversion price of \$0.049 and otherwise in accordance with the terms and conditions of the Convertible Notes.
90,000	Convertible Notes maturing on 6 October 2017 with a conversion price of \$0.049 and otherwise in accordance with the terms and conditions of the Convertible Notes.
204,082	Unlisted options exercisable at \$0.10 on or before 21 April 2017
1	Convertible Note A 'Maturity Date' of 7 January 2018 with a conversion price of \$0.10
150,000	Convertible Notes Maturing on 8 July 2017 with an outstanding aggregate face value of US\$165,000 a conversion price of lower of; <ul style="list-style-type: none"> • 15% discount from the average of the lowest 5 daily VWAPS in the 10 trading days prior to conversion or • Fixed price of \$0.075 AUD
1	Convertible Note <ul style="list-style-type: none"> • A Maturity date of 18 months from date of issue • Conversion price of \$0.10 • Interest reate of 10% per annum – interest payable in cash

+ See chapter 19 for defined terms.

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	<ul style="list-style-type: none"> In the event of conversion, noteholder will be granted one option for every one Share issued at an exercise price of \$0.075 and 25 January 2018
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10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) No dividend policy established

Part 2 - Bonus issue or pro rata issue N/A

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

+ See chapter 19 for defined terms.

18	Names of countries in which the entity has +security holders who will not be sent new issue 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 prospectus or Product Disclosure Statement 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	N/A

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for the balance?

32 How do +security holders dispose of their entitlements (except by sale through a broker)?

N/A

33 +Despatch 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

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

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

39 Class of +securities for which
quotation is sought

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

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)

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

+ 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 not available now, 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: Date: 25 January 2017
(Director/Company secretary)

Print name: Peter Hatfull
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+ 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

N/A

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 date of issue or agreement to issue	338,597,845
<p>Add the following:</p> <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 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • 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"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</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> 	<p>551,658 Shares (21/04/2016)</p> <p>609,592 Shares (28/07/2016)</p> <p>551,658 Shares (28/07/2016)</p> <p>893,274 Shares (09/09/2016)</p> <p>774,018 Shares (26/10/16)</p> <p>471,938 Shares (26/10/16)</p> <p>765,127 Shares (21/11/16)</p> <p>1,106,730 Shares (01/12/16)</p> <p>1,230,436 Shares (23/12/16)</p> <p>1,283,578 Shares (25/01/17)</p> <p style="text-align: right;">Total: 8,238,009</p>
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	
“A”	346,835,854

+ See chapter 19 for defined terms.

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Step 2: Calculate 15% of "A"	
"B"	0.15 <i>[Note: this value cannot be changed]</i>
Multiply "A" by 0.15	52,025,378
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> 	525,510 Shares (29/1/16) 262,755 Options (29/1/16) 204,082 Options (21/4/16) 3,029,326 Shares (125,000 Convertible Notes) (8/2/16) 2,181,122 Shares (90,000 Convertible Notes) (6/4/16) 204,082 Shares (22/4/16) 13,220,000 Shares (1 Convertible note) 12,344,503 Shares (350,000 Convertible Notes) 2,500,000 Shares (1 Convertible note) 2,500,000 Options 36,971,380
"C"	36,971,380
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>	52,025,378
Subtract "C" <i>Note: number must be same as shown in Step 3</i>	36,971,380
Total ["A" x 0.15] – "C"	15,053,998

+ 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>	346,835,854
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	34,683,585
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> 	0
“E”	0

+ See chapter 19 for defined terms.

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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>	34,683,585
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	0
Total ["A" x 0.10] – "E"	34,683,585 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.