

3 July 2017

MEDIA & ASX ANNOUNCEMENT

Australian Securities Exchange

ALGAE.TEC ANNOUNCES \$8 MILLION RIGHTS ISSUE TO FURTHER ITS ALGAE TECHNOLOGY AND TO ADVANCE ITS MOVE INTO MEDICINAL MARIJUANA

Algae.Tec Ltd (ASX: AEB) is pleased to announce a Renounceable Pro-Rata Entitlement Issue to eligible shareholders to raise up to approximately \$8.0 million. The funds raised will be used to:

- Fund the research and development of new products from medicinal marijuana and algae as announced through our collaboration agreement with WinterGarden Biosciences
- Further develop Algae.Tec's lighting technology for specific use in the medicinal marijuana industry
- For the expansion and improvement of the existing algae growth facilities in Cumming Georgia
- To expand the biomass supply chains and employ specific personnel for the medicinal marijuana industry
- To repay debt and for general working capital

Algae.Tec's Managing Director Peter Hatfull commented "*The Company is very pleased to offer shareholder's the opportunity to further participate in the Company on extremely attractive terms. The Board feels that the Company is entering into a very exciting period with its move into the medicinal marijuana industry and the maturing of its algae production.*"

Under the Rights Issue, eligible Algae.Tec shareholders registered at the record date (see indicative timetable below) will be entitled to subscribe for three (3) new share for every four (4) existing shares held, at an issue price of \$0.03 per share. Participating Shareholders will also receive one (1) free attaching option for each two (2) new shares subscribed for, with such options having an exercise price of \$0.05 and an expiry date of 28 July 2020. The Company will seek quotation on ASX of both the new shares and new options to be offered under the Rights Issue.

Indicative timetable

Further details in relation to the Rights Issue will be set out in the Prospectus to be lodged by the Company with the Australian Securities and Investment Commission and ASX and despatched to Shareholders (together with an entitlement and acceptance form) in accordance with the following timetable.

Announce Rights Issue and lodgement of Appendix 3B with ASX	3 July 2017
Lodgement of the Prospectus with ASIC and ASX	4 July 2017
Notice of Rights Issue sent to Optionholders	5 July 2017
Notice of Rights Issue sent to Shareholders	5 July 2017
Ex-Date for Rights Issue	6 July 2017
Rights trading commences	6 July 2017
Record Date	7 July 2017
Prospectus despatched to Shareholders/Opening Date	12 July 2017
Rights trading ends	14 July 2017
Deferred settlement trading commences	17 July 2017
Closing Date	21 July 2017
Notify ASX of Shortfall	26 July 2017
Issue date – Deferred settlement trading ends	28 July 2017
Commencement of trading of New Shares and New Options *	28 July 2017

The above timetable is indicative only and is subject to change. The Company reserves the right, in accordance with the Corporations Act 2001 (Cth) and the ASX Listing Rules, to amend this indicative timetable.

Ends



For detailed information on all aspects of the company and its project please visit:
www.algaetec.com.au or contact:

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