

24 August 2017

ASX Announcement

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

Convertible Notes Redeemed

Algae.Tec Ltd (ASX: AEB) is pleased to announce that it has redeemed and satisfied the following convertible securities previously issued by it, by the means set out below.

Convertible Security Holder	Issue Date	Number of Convertible Securities Originally Issued	Number of Notes Redeemed	Cash Redemption Amount	Means of Redemption	Date of Redemption
Sophisticated Investors	21 January 2016	865,000	865,000	\$865,000	Shortfall placement of 28,833,333 Shares and 14,416,666 options	21 August 2017
Gencore Pacific Ltd	8 July 2016	1	1	\$1,282,051	Shortfall placement of 42,735,033 shares and 21,367,517 options	14 August 2017
Sophisticated Investor	25 January 2016	1	1	\$280,000	Shortfall placement of 9,333,333 shares and 4,666,666 options	14 August 2017
Advance Opportunities Fund 1	23 June 2017	1	1	\$220,014	Shortfall placement of 7,333,806 shares and 3,666,903 options	14 August 2017
L1 Capital Global Opportunities Mastre Fund Ltd	21 July 2017	275,000	137,500	\$144,375	Shortfall placement of 4,812,500 shares and 2,406,250 options	21 August 2017
Magna Equities II LLC	27 June 2017	357,500	33,000	\$47,952	Shortfall placement of 1,598,433 shares and 799,217 options	14 August 2017

Where notes are described in the table above as having been redeemed by way of shortfall placement, this occurred by way of AEB agreeing with the holders of those convertible securities that they would subscribe for part of the shortfall under AEB's recent rights issue, and AEB setting off AEB's obligation to pay the redemption amount to those holders against their obligation to pay the issue price to AEB in respect of the shortfall subscription. This process took place in accordance with section 4.12 of the prospectus lodged by AEB on 4 July 2017.

As a result of these redemptions, the convertible notes previously issued by AEB that remain outstanding are as set out below. AEB is continuing to discuss redemption of the remaining outstanding convertible securities with the relevant holders.

Convertible Security Holder	Issue Date	Number of Convertible Securities Outstanding	Number of equity securities agreed to be issued for purpose of calculation of capacity under Listing Rule 7.1
707 Holdings	6 February 2017	3	Nil
China Finance Strategies Investment Holdings Limited	16 January 2015	1	Nil
Magna Equities II LLC	27 June, 15 May 2017	324,500	10,743,621 shares
L1 Capital Global Opportunities Master Fund Ltd	21 July 2017	137,500	4,583,333 shares 2,291,666 options

As a result of these redemptions, AEB's present placement capacity under ASX Listing Rules 7.1 and 7.1A is as follows:

1. Listing Rule 7.1 – 65,947,970
2. Listing Rule 7.1A – 56,603,060

Peter Hatfull
Company Secretary