

22 December 2017

Company Announcements Office  
ASX Limited

*By E-Lodgement*

## **LESS THAN MARKETABLE PARCEL SHARE SALE FACILITY**

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The Board of Directors of Serpentine Technologies Limited (ASX:S3R) ("**Serpentine**" or "**the Company**") announces the establishment of a share sale facility ("**Facility**") for holders of less than a marketable parcel (defined in the ASX Listing Rules as a parcel of securities of not less than \$500 in value) ("**Less Than Marketable Parcel**") of the Company's shares. Of the Company's approximately 696 shareholders, 274 holds Less Than Marketable Parcels.

The ASX Listing Rules define a less than marketable parcel to include a parcel of shares with a market value of less than A\$500. Based on the last closing price of \$0.009 on Thursday, 21 December 2017 (**Closing Price**) a less than marketable parcel is any shareholding of 55,554 ordinary shares or less (**Closing Price**).

As at 5:00pm (WST) on Record Date, the total number of less than marketable parcels were 5,260,566 ordinary shares held by 274 shareholders (**Minority Members**).

The Company is offering this Facility to assist holders of less than a marketable parcel to sell shares without having to use a broker or pay brokerage. The Company will pay for all the costs of the sale for shareholders who use this Facility, excluding tax consequences from the sale which remains the shareholder's responsibility.

The Company values all of its shareholders, however, it incurs significant administrative costs maintaining such a large number of less than marketable parcels. By facilitating this Facility, the Company expects to reduce the administrative costs associated with maintaining a large number of very small holdings. Shareholders who own 55,555 shares or more will not be eligible to participate.

The price that Minority Members will receive has been determined as \$0.0016 per share, being a 20% discount to the offer price per share under the recently completed Entitlements Issue.

Upon the sale of the less than marketable parcel shares by the appointed broker, proceeds shall be forwarded to eligible shareholders as soon as practicable.

**Following** is a copy of the Notice of Intention to Sell that will be mailed to shareholders that are holding a less than marketable parcel on the Record Date.

For further information please contact:

**Brett Tucker**  
**Company Secretary**  
p: + 61 8 9482 0555

22 December 2017

Dear Shareholder

## **IMPORTANT NOTICE – INTENTION TO SELL SHARES OF LESS THAN A MARKETABLE PARCEL**

The Board of Directors of Serpentine Technologies Limited (ASX:S3R) ("**Serpentine**" or "**the Company**") announces the establishment of a share sale facility ("**Facility**") for holders of less than a marketable parcel (defined in the ASX Listing Rules as a parcel of securities of not less than \$500 in value) ("**Less Than Marketable Parcel**") of the Company's shares. The Facility is being established in accordance with the ASX Listing Rules and the Company's Constitution.

This offer applies to shareholders who at 5:00pm (WST) on Thursday, 21 December 2017 ("**Record Date**") were holders of shares in Serpentine valued at less than \$500 based on the closing price of Serpentine shares of \$0.009 per share on the Record Date. Our records show that you are the holder of less than a marketable parcel as at Record Date and accordingly your shareholding is eligible to participate in this Facility.

Serpentine is offering this Facility as it provides the following benefits:

- Holders of less than a marketable parcel have the opportunity to sell their shares without incurring any brokerage or handling costs which, in proportion to the value of their holding, may otherwise render a sale unattractive or uneconomical; and
- The expense and administration involved in maintaining shareholders with less than a marketable parcel is reduced.

The Company has approximately 696 shareholders of which 274 holds less than a marketable parcel of shares that in aggregate represent approximately 0.90% of all issued shares.

You may choose to sell all of your holding or retain your existing holding as explained below.

### **1. Sell all of your Less Than Marketable Parcel**

If you wish to sell your shares without incurring brokerage or handling costs, you do not need to take any other action other than completing the Buyback Election Form, providing your nominated bank account to receive your sale proceeds. Serpentine is authorised under Clause 36 of its Constitution to sell your shares following the Closing Date of 2 February 2018 ("**Closing Date**"). Your shares will be pooled with other shares under this Facility and sold as soon as practicable after the Closing Date.

Serpentine will appoint an execution-only broker on behalf of shareholders to affect any sales under this Facility.

The price you receive for each share sold through this Facility has been determined as \$0.0016 per share, being a 20% discount to the offer price per share under the recently completed Entitlements Issue.

Australian residents will only be paid their sale proceeds in Australian dollars by direct credit to an account held with an Australian Financial Institution. You must complete and return the enclosed Buyback Election Form.

Non-residents who do not have an account with an Australian Financial Institution will be paid in Australian dollars by cheque.

There is an option on the Buyback Election Form to choose to donate the proceeds of your sale to the Women and Infants Research Foundation. Amounts less than \$100 which remain unclaimed at the conclusion of the statutory reporting period for unclaimed monies will be donated to the Women and Infants Research Foundation.

All costs associated with the sale of your shares will be borne by the Company. No brokerage will be payable by you.

#### **Serpentine Technologies Limited**

Ground Floor, 16 Ord Street  
West Perth WA 6005  
PO Box 902  
West Perth WA 6872

#### **Contact**

P (08) 9482 0500  
E: [info@serpentinetechnologies.com.au](mailto:info@serpentinetechnologies.com.au)  
W: [www.serpentinetechnologies.com.au](http://www.serpentinetechnologies.com.au)

#### **ASX Code: S3R**

ABN: 28 158 307 549

If your shares are held in a CHESS holding, Serpentine may, after the Closing Date initiate a holding adjustment to move your shares to the issuer sponsored sub-register for the purpose of this Facility.

Any tax consequences arising from the sale or buy-back of your shares will be your responsibility.

## **2. Retain your existing holding**

If you wish to retain your existing holding the you must either:

- correctly complete, sign and return the enclosed Buyback Election Form so that it is received by 5:00pm (WST) on 2 February 2018, being the Closing Date of this Facility; or
- arrange to have multiple holdings consolidated into one holding which has 55,555 or more shares on the Closing Date; or
- make your own arrangements outside this Facility to purchase additional shares so that they are the registered holder of 55,555 or more shares on the Closing Date.

If you successfully take one of these steps, Serpentine will not be entitled to sell your shares.

Please also note that the Company will not sell your shares in the event that a third party announces a takeover offer for the Company. Consistent with its continuous disclosure obligations, the Company may release to the ASX information that may be material to a shareholder's decision as to whether they wish to retain their shares. This information will, if released, be available on the ASX website [www.asx.com.au](http://www.asx.com.au) (ASX code "S3R") and on the Company's website <http://investor.kabuni.com/>.

### **Important information**

Serpentine reserves the right to vary, delay or terminate this Facility by notice to the ASX.

Serpentine is not bound to sell any or all of the shares that may be available for it to sell under this Facility, and there is no guarantee that Serpentine will be able to sell your shares. In addition, the sale proceeds may differ from the market value of your shares on the Record Date, depending on movements in the market price of the shares and on the Company appointed brokers' ability to procure purchasers.

The Company will determine whether a shareholder has a less than marketable parcel as at Record Date. The Company will not have any reference to any increase in the price of the shares after the Record Date in determining whose shares may be sold or bought back pursuant to this Facility.

**If you have less than a marketable parcel as at the Record Date, then unless you take one of the steps outlined in section 2 of this letter, Serpentine will be entitled to sell your shares under this Facility.**

Nor Serpentine or any other person involved in the Facility shall be liable for failure to sell the shares.

Serpentine does not make any recommendation or provide any advice to you regarding whether to sell your holding under this Facility or retain your existing holding,

If you require advice as to whether to sell your shares, please consult your legal, financial or taxation adviser.

If you have any questions concerning your shareholding or how the Facility will be administered, please contact the Company's share registry, Security Transfer Australia on 1300 992 916.

Yours faithfully

**On behalf of the Board of Directors of Serpentine Technologies Limited**  
**Brett Tucker**  
**Company Secretary**