

29 January 2018

Amended Appendix 3B

Algae.Tec Limited advises that the Appendix 3B lodged with ASX dated 25 January 2018 was an incorrect version. The issue price or consideration should have been quoted as \$0.04 per share.

An amended Appendix 3B is attached.

Further information:

Peter Hatfull
Company Secretary
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AEB provides the following information under ASX Listing Rule 3.10.5A in relation to the placement announced on 25 January 2018:

(a) Existing holders of ordinary securities will be diluted by the issue as follows:

	Number of securities issue	% of post Placement issued share capital
Ordinary shares issued under listing rule 7.1A	62,263,422	8.2%
Ordinary shares issued under listing rule 7.1	7,299,078	1%
Options issued under listing rule 7.1	68,312,500	9% (based on dividing undiluted post-placement share capital by the number of options)
Total	137,875,000	18.2%

(b) AEB issued the shares as a placement under rule 7.1A to institutional, sophisticated and professional investors and not as a pro rata issue or other type of issue in which existing ordinary security holders would have been eligible to participate because Algae.tec was of the view that this was the most efficient and expedient mechanism to raise the funds;

(c) There were no underwriting arrangements in respect of the issue;

(d) AEB incurred the following fees and costs in connection with the issue:

- (i) 7,062,500 ordinary shares;
- (ii) 5,812,500 options with an exercise price of \$0.05 expiring 28 July 2020.

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 | <ol style="list-style-type: none">1. Fully paid ordinary shares2. Quoted options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <ol style="list-style-type: none">1. 69,562,500 shares2. 68,312,500 quoted options |
| 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. Ordinary shares2. Quoted options – exercise price of \$0.05 expiring on or before 28 July 2020. |

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New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 	<p>1. Shares rank equally in all respects from the date of issue with the existing class of fully paid ordinary shares.</p> <p>2. Quoted options – upon exercise, the shares issued pursuant to the quoted options rank equally with existin fully paid ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>1. \$0.04 per share</p> <p>2. Options issued at nil consideration</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>69,562,500 shares and 68,312,500 options issued to raise funds.</p>
<p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>30 November 2017</p>
<p>6c Number of ⁺securities issued without security holder approval under rule 7.1</p>	<p>N/A</p>
<p>6d Number of ⁺securities issued with security holder approval under rule 7.1A</p>	<p>N/A</p>
<p>6e Number of ⁺securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>N/A</p>

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6f	Number of securities issued under an exception in rule 7.2	N/A	
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	
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 – 9,570,556 Remaining 7.1A capacity – NIL	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	25 January 2018	
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	756,881,991	+Class Ordinary Shares
		210,092,326	Quoted options exercise price of \$0.05 expiring 28 July 2020
	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	28,728,607	+Class 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
		1	Convertible Note: • Face value of

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		<p>US\$166,667</p> <ul style="list-style-type: none"> • A maturity date of 36 months from date of issue • Interest rate of 10% per annum • The note can be converted into shares at a conversion price that is the lower of <ul style="list-style-type: none"> • \$0.05 per share • A 10% discount to the 5 day VWAP prior to the date of conversion
	1	<p>Convertible Note:</p> <ul style="list-style-type: none"> • Face value of US\$166,666 • A maturity date of 36 months from date of issue • Interest rate of 10% per annum • The note can be converted into shares at a conversion price that is the lower of <ul style="list-style-type: none"> • \$0.05 per share • A 10% discount to the 5 day VWAP prior to the date of conversion
	1	<p>Convertible Note:</p> <ul style="list-style-type: none"> • Face value of US\$166,667 • A maturity date of 36 months from date of issue • Interest rate of 10% per annum • The note can be converted into shares at a conversion price that is the lower of <ul style="list-style-type: none"> • \$0.05 per share • A 10% discount to the 5 day VWAP prior to the date of conversion
	125,000	<p>Convertible notes</p> <ul style="list-style-type: none"> • Convertible note has a face value of \$1.10 AUD per note • A 'Maturity Date' of 26 July 2018 • The Company may repurchase the

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	<p>convertible notes at any time for 105% of the amount outstanding in respect of the repurchased notes</p> <ul style="list-style-type: none"> • Each note shall be convertible at an issue price of the lesser of: <ul style="list-style-type: none"> • 85% of the average of the three daily VWAPS during the 3 Trading Days prior to the Conversion Notice Date; <p>\$0.03 AUD</p>
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10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No dividend policy established
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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

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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 for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a	N/A

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broker)?

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

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Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

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39 Class of +securities for which
 quotation is sought

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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

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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)

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

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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: 29 January 2018
(Director/Company secretary)

Print name: Peter Hatfull
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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	
<i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	341,933,612
<i>Add</i> the following: <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 471,938 Shares (31/01/17) 1,304,688 Shares (20/2/17) 2,032,867 Shares (6/4/17) • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval 392,219 Shares (10/5/17) 2,098,958 Shares (03/07/17) • Number of partly paid ordinary securities that became fully paid in that 12 month period 30,541,249 Shares (10/08/17) 134,608,147 Shares (14/08/17) <i>Note:</i> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> 770,831 Shares (14/08/17) • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> 46,244,266 Shares (21/08/17) 4,672,166 Shares (28/08/17) • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 63,953 Shares (11/09/17) 25,500,000 Shares (29/09/17) 26,367,500 Shares (13/10/17) <p style="text-align: right;">Total: 275,068,775</p>	
<i>Subtract</i> the number of fully paid ordinary securities cancelled during that 12 month period	
“A”	622,634,221

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	93,395,133
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>Note:</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> 	<p>1,338,000 Shares</p> <p>4,583,333 Shares</p> <p>2,291,666 Options</p> <p>236,578 Shares</p> <p>2,062,500 Shares</p> <p>5,000,000 Shares</p> <p>68,312,500 Options</p>
“C”	83,824,577
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>	93,395,133
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	83,824,577
Total [“A” x 0.15] – “C”	9,570,556

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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>	622,634,221
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	62,263,422
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> 	62,263,422
“E”	0

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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>	62,263,422
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	62,263,422
Total [“A” x 0.10] – “E”	0 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.