

9 February 2018

Companies Announcements Office
Australian Securities Exchange
Electronic Lodgement

Capital Raising

Smart Marine Systems Limited advises that it has placed 20,000,000 fully paid ordinary shares at 3 cents each to raise \$600,000 in working capital. 1 option, exercisable at 8 cents by 28 February 2021, will be issued for every 4 shares applied for (being a total of 5,000,000 options).

12,000,000 shares and 3,000,000 options will be issued immediately pursuant to ASX Listing Rules 7.1 (6,000,000 shares and 3,000,000 options) and 7.1A. (6,000,000 shares) to raise \$360,000.

The balance of 8,000,000 shares and 2,000,000 options (\$240,000) will be issued subject to shareholder approval. A meeting of shareholders will be held in the near future to approve this issue.

The placement will be made pursuant to S708A of the Corporations Act to sophisticated and professional investor clients of Canary Capital Pty Ltd. Canary Capital will receive a fee of 6% of the amount raised pursuant to the capital raising, and have agreed to accept payment of their fee by way of the issue of shares at 3 cents each.

Share Purchase Plan

The Company is also pleased to advise that shareholders on the Company's register at 5.00pm (WST) on Thursday 8 February 2018 will be offered the ability to subscribe for up to \$15,000 worth of shares each by way of a Share Purchase Plan (SPP), at a price of 3 cents per share. The SPP raising will be capped at \$500,000, with applications greater than \$500,000 scaled back on a pro rata basis. SPP documents will be despatched to shareholders in the near future.

For and on behalf of the Board

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