



ASX RELEASE

Expiry of Quoted Options (FGOOA)

SYDNEY, 19 APRIL 2018, Flamingo AI Limited ("Flamingo" or "the Company") (ASX: FGO), Artificial Intelligence and Machine Learning company and provider of Cognitive Virtual Assistant technology advises that 45,451,015 quoted options trading under ASX code FGOOA will expire unless exercised before 5:00pm (AEST) on Thursday, 24 May 2018.

Each FGOOA Option is exercisable at a price of A\$0.06 (6 cents) and entitles the holder to subscribe for one fully paid ordinary share of the Company. The Options were issued on 24 May 2017 under the Company's Entitlement Issue Prospectus dated 3 April 2017.

The following is a letter sent to each FGOOA option holder.

[ENDS]

For further information, investor or media enquiries, please contact:

Email: investor@flamingo.io

ABOUT Flamingo AI

Flamingo AI (ASX: FGO) is an Australian listed company based in Sydney and New York. In the Machine Learning sector, Flamingo is a SaaS company, providing Cognitive Virtual Assistant (AI) platforms designed for enterprises selling and servicing complex products online. Flamingo's Virtual Assistants are ROSIE & MAGGIE. Flamingo is one of IT Analyst Gartner's 'Cool Vendors' and clients include large financial services firms. www.flamingo.ai

Flamingo - Social Media Policy

Flamingo is committed to communicating with the investment community through all available channels. Whilst ASX remains the prime channel for all material announcements and news, investors and other interested parties are encouraged to follow Flamingo on Twitter - [@FlamingoAI](https://twitter.com/FlamingoAI)

Company Investor Newsletter

The Company encourages investors to subscribe to the Flamingo investor community newsletter at <https://flamingo.ai/investor-portal/>



Dear Option Holder

EXPIRY OF QUOTED OPTIONS (ASX CODE: FGOOA)

You are the registered holder of options (**Options**) in Flamingo AI Limited (ASX:FGO) (**FGO** or the **Company**). These options were issued to shareholders who participated in the April 2017 Entitlements Issue or have been acquired on market since that time.

This letter is to notify you of the impending expiry of your FGOOA Options at 5:00pm AEST on Thursday, 24 May 2018 (**Expiry Date**).

OPTION HOLDERS CHOICES:

1. *Exercise all or a portion of your options*

You may complete the enclosed 'Application for Shares on Exercise of Options' form in full, sign it and send it to Automic Registry Services by post. Exercise of options will be completed and processed in accordance with the Terms of Options set out on the back of the Application Form. Payment must be made by bank cheque, payable to Flamingo AI Limited.

2. *Sell all or a portion of your options*

The Options are quoted (ASX: FGOOA) and may be traded on the ASX. The last traded price for FGOOA Options was A\$0.005 on 4 April 2018. Your options will cease trading at close of trade on Friday, 18 May 2018 (last day of quotation).

3. *Do Nothing*

If you choose to do nothing, your Options will expire at **5.00pm (AEST) on Thursday, 24 May 2018** and have no value.

ADDITIONAL INFORMATION REQUIRED BY THE ASX LISTING RULES

In accordance with ASX Listing Rules, FGO provides you with the following information:

- (a) The name of the option holder is contained on the enclosed personalised "Application for Shares on Exercise of Options" (**Exercise Notice**) for the option holder.
- (b) Each Option entitles you to apply for one fully paid ordinary share in the capital of FGO (**Share**). The number of Options held, and the number of Shares to be issued on the conversion of the Options is contained in the enclosed personalised Exercise Notice for each option holder.
- (c) The exercise price payable to exercise your Options by the Expiry Date is \$0.06 per Option.
- (d) You can exercise all or part of your Options prior to the Expiry Date by providing to the Company your completed written Exercise Notice specifying the number of Options being exercised and a payment of funds for the total exercise price for the number of Options being exercised by the Expiry Date. The Exercise Notice will only be effective when the Company has received the full amount of the exercise price, which must be received by **5:00pm AEST on Thursday, 24 May 2018**.
- (e) If you fail to exercise your Options prior to the Expiry Date, those Options will lapse and you shall have no further right or entitlement to those Options.
- (f) Quotation of the Options on the Australian Securities Exchange (**ASX**) will end at close of trading on Friday, 18 May 2018.

- (g) The last available market closing price of FGO Shares prior to the date of this letter was \$0.042 on 18 April 2018.
- (h) The highest and lowest market closing price of FGO Shares on ASX during the 3 months immediately preceding the date of this letter and the respective dates of those sales were:
 - Highest: \$0.075 on 19 January 2018
 - Lowest: \$0.036 on 10 April 2018
- (i) The board confirms that there is no underwriting agreement in place for the exercise of the Options.

FURTHER INFORMATION

Instructions regarding the methods of payment are included in the enclosed Option Exercise Notice.

The board encourages you to consider your choices as an Option holder and to take the action that best suits your individual circumstances. If you require more information on how to exercise your Options or if you have any questions in relation to any of the above, please contact Zane Lewis on +61 8 6555 2950. If you are unsure whether to take up your Options, please contact your stockbroker, financial advisor or other professional advisor.

Yours faithfully

Zane Lewis
Company Secretary

Terms and conditions of the Options:

- (a) **(Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Exercise Price):** The amount payable upon exercise of each Option is \$0.06 **(Exercise Price)**.
- (c) **(Expiry Date):** Each Option expires at 5.00pm (AEST) 12 months from the Issue Date **(Expiry Date)**. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **(Exercise Period):** The Options are exercisable at any time on or prior to the Expiry Date **(Exercise Period)**.
- (e) **(Notice of Exercise):** The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate **(Notice of Exercise)** and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **(Exercise Date):** A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds **(Exercise Date)**.
- (g) **(Quotation):** Application will be made to ASX for the Options to form a class of Options quoted on ASX.
- (h) **(Quotation of Shares issued on exercise):** Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- (i) **(Timing of issue of Shares on exercise):** After an Option is validly exercised, the Company must within 30 Business Days of receipt of the Notice of Exercise and receipt of cleared funds equal to the Exercise Price of the exercised Option:
 - (i) issue the Share; and
 - (ii) do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 10 Business Days after issuing the Share.
- (j) **(Shares issued on exercise):** Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.
- (k) **(Reconstruction of capital):** In the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the Expiry Date of the Options, all rights of the Option holder will be varied in accordance with the Listing Rules.
- (l) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (m) **(Change in Exercise Price):** There will be no change to the Exercise Price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).
- (n) **(Adjustment for bonus issues):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder of the Options had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (o) **(Transferability):** The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Name and Address on Registered Holding

Holder Number:

Security Code: FG00A

Number of Options held:

Option Expiry Date: 24/05/2018

Exercise Price: \$0.06

NOTICE OF EXERCISE OF OPTIONS

I/we hereby exercise the following number of options and make payment in Australian currency for the amount payable. Please allot me/us Ordinary Shares calculated on the basis of one Ordinary Share for every one Option which I/we exercise. I/We agree to accept such Shares subject to the Constitution of Flamingo AI Limited.

1. Number of Options to be Exercised

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Total payment required (If the dollar amount paid results in a fraction of a share then the shares allotted will be rounded down). (multiply box 1 by \$0.06 per option)

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2. Payment:

Payment for the exercise of options can be made either by a cheque made payable to "Flamingo AI Limited" and crossed "not negotiable" or via Electronic Funds Transfer to the following bank account:

BSB: 086-492

Account Number: 38-809-5164

Account Name: Flamingo AI Limited

When making your EFT payment please ensure that you use your registered holding name as your "payment description".

This completed exercise form should be returned to the Company at:

Flamingo AI Limited
6/295 Rokeby Rd
Subiaco WA 6008

3. Contact details

Telephone Number

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Contact Name (PLEASE PRINT)

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Email Address

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SUPPORT YOUR COMPANY: By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

4. Please sign below and return the form to Automic

Securityholder 1

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Sole Director or
Sole Director and Sole Company
Secretary

Securityholder 2

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Director

Securityholder 3

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Director / Company Secretary

NOTE: When signed under Power of Attorney, the attorney states that they have not received a notice of revocation. A certified copy of the Power of Attorney must be lodged with this exercise form.

Submitting your 'Notice of Exercise of Options':

Please return the completed and signed form together with your cheque payment (if applicable) to the address provided.

