

ASX RELEASE

25 July 2018

**NON-RENOUNCEABLE ACCELERATED ENTITLEMENT OFFER – CLEANSING NOTICE
PURSUANT TO SECTION 708AA(2)(f) OF THE CORPORATIONS ACT 2001 (Cth)**

This notice is given by Advanced Braking Technology Limited (ASX Code: ABV) (**Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**).

Today, the Company announced that it would be offering shareholders with a registered address in Australia, New Zealand or Singapore (**Eligible Shareholders**) the opportunity to acquire under a non-renounceable accelerated pro-rata entitlement offer (**Entitlement Offer**):

- a) additional fully paid ordinary shares in the capital of the Company (**Shares**), on the basis of 1 Share for every 3 existing Shares held at 5.00pm (WST) on the record date of 27 July 2018; and
- b) options to purchase fully paid ordinary shares in the capital of the Company (**Options**), on the basis of one (1) Option for every two (2) Shares issued to Eligible Shareholders under the Entitlement Offer

Shares under the Entitlement Offer will be offered at 0.3 cents per Share. Options under the Entitlement Offer will be exercisable at 0.4 cents per Share and have an expiry date of 18 months from the date of issue.

The Entitlement Offer has the following two components:

- An institutional entitlement offer, where offers have been made to eligible institutional securityholders for them to apply for their pro-rata entitlement (Institutional Entitlement Offer).
- A retail entitlement offer, where offers will be made to eligible retail securityholders for them to apply for their pro-rata entitlement (Retail Entitlement Offer).

The maximum number of Shares which may be issued under the Entitlement Offer is 741,373,646 to raise up to \$2,224,121 (before costs). The maximum number of Options which may be issued under the Entitlement Offer is 370,686,823 based on shares currently on issue.

The Entitlement Offer is not underwritten, but is being lead managed by Baker Young Stockbrokers Limited (**Lead Manager**).

An Information Booklet will be mailed to Eligible Shareholders on 1 August 2018 together with personalised Entitlement and Acceptance Forms.

The Company hereby gives notice under section 708AA(2)(f) of the Act that:

- (a) the Company will offer the Shares and Options under the Entitlement Offer for issue without disclosure to investors under Part 6D.2 of the Act;
- (b) the Company is providing this notice under section 708AA(2)(f) of the Act;
- (c) at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company and has complied with section 674 of the Act;
- (d) at the date of this notice, there is no information that is “excluded information” within the meaning of section 708AA(8) and section 708AA(9) of the Act; and
- (e) the Entitlement Offer is not expected to have any material effect or consequence on the control of the Company. Any potential effect will depend on a number of factors including investor demand. However:
 - (i) if all Eligible Shareholders take up their entitlements under the Entitlement Offer, the issue of Shares and Options under the Entitlement Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Entitlement Offer;
 - (ii) in the more likely event that there is a shortfall, Eligible Shareholders who do not subscribe for their full entitlement to Shares and Options under the Entitlement Offer and ineligible shareholders unable to participate in the Entitlement Offer will be diluted relative to those Eligible Shareholders who subscribe for some or all of their entitlement; and
 - (iii) the Lead Manager will assist with placing any shortfall of Shares and Options after Eligible Shareholders have taken up their entitlements. Having regard to the number of Shares and Options to be issued under the Entitlement Offer even if a substantial shortfall eventuated, there is unlikely to be a change in a shareholder’s position to exercise any substantive control of the Company.

The Company has reserved the right, in accordance with ASX Listing Rule 7.2, Exception 3, to place any shortfall from the Entitlement Offer within 3 months of the closing date of the Entitlement Offer.

Signed for and on behalf of the Company



Ms Dagmar Parsons
Chairman
Advanced Braking Technology Limited