

ASX Release

SUDA LTD: UPDATE ON 2013 CONVERTIBLE NOTES AND APPENDIX 3Y

PERTH, AUSTRALIA – 21 October 2015: SUDA LTD (ASX: SUD), a leader in oro-mucosal drug delivery, provides the following update on its 2013 Convertible Notes ("**Notes**"), which matured on 30 September 2015.

2013 Convertible Notes - Related Parties

In 2013, an aggregate of \$1,900,000 of Notes were issued to investors, which included \$420,000 of Notes issued to Directors of the Company ("**Related Party Notes**"). The Related Party Notes were issued with shareholder approval pursuant to Listing Rule 10.11. As part of the recent redemption and rollover of the Notes following the maturity date (see the Company's announcement released on 9 October 2015), the Company was made aware that it had not obtained shareholder approval under, or a waiver from, Listing Rule 10.1 in relation to the granting of security over the assets of the Company in connection with the Related Party Notes.

The Company had acted on legal advice from its lawyers at that time and had not received any objection from the ASX prior to seeking shareholder approval at the 2013 AGM. The Company has since engaged new legal advisers and is considering its available remedies.

The Company has consulted with the ASX and has determined to cancel or unwind the issue of the Related Party Notes to rectify the inadvertent breach of Listing Rule 10.1. The ASX has accepted the Company's proposal in this regard.

The attached Appendix 3Y's confirm the cancellation of the Related Party Notes.

2015 Convertible Notes – Related Parties

In light of the cancellation of the Related Party Notes, the Directors of the Company are committed to showing their support for the future of the Company by agreeing to subscribe for an aggregate of \$120,000 of new convertible notes ("**2015 Notes**"). The 2015 Notes are being issued on the same terms and conditions as the new convertible notes to be issued to non-related party investors as foreshadowed in the Company's ASX announcement of 8 October 2015.

The issue of the 2015 Notes to the Directors (or their controlled entities) is subject to receiving a waiver from the ASX from Listing Rule 10.1 in relation to the grant of security under the 2015 Notes, and shareholder approval under Listing Rule 10.11 to be sought at the Annual General Meeting (AGM) of the Company to be held on 17 November 2015.

ASX Waiver – Listing Rule 10.1

The Company is pleased to note that it has received the waiver from ASX from Listing Rule 10.1 on the terms outlined in Annexure A to this announcement.

Subject to receiving shareholder approval for the issue of the 2015 Notes to Directors (or their controlled entities), the total aggregate of convertible notes on issue after the AGM is expected to exceed \$1.6 million.

Terms of the 2015 Notes

The key terms of the new 2015 Notes are:

Issue Price: \$1.00 per Convertible Note.

Security: General security interest over the Company and its subsidiary Westcoast Surgical and Medical Supplies Pty Ltd.

Conversion: Convertible at \$0.03 per share at the Noteholder's election any time after the date that is 6 months after the date the Convertible Notes are issued to the noteholder.

Coupon: 8% paid semi-annually in arrears. At the Noteholder's election, interest is payable in cash or by the issue of fully paid shares in Suda (Interest Shares). If the Noteholder does not make an election to receive its interest in Interest Shares, the interest payment will be made in cash. For this purpose the Interest Shares will be issued at 90% of the VWAP of Suda shares over the 5 days on which trading occurred prior to the interest payment date.

Maturity: 31 March 2017.

Redemption: If not previously converted at expiry the Convertible Notes will be redeemed at 105% of the face value of the Convertible Notes.

Unlisted: The Convertible Notes will be unlisted.

Reset Option: The conversion price will be adjusted for all future equity issues (where the issue price is less than \$0.03 per share), return of capital or capital consolidation.

Transfers: The Noteholder must not within 12 months of the date of issue of the Convertible Notes, transfer any of the Convertible Notes without the prior written approval of Suda.



Further information:

STEPHEN CARTER

CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

SUDA LTD

Tel: +61 8 6142 5555

sjcarter@sudaltd.com.au

NOTES TO EDITORS:

About SUDA LTD

SUDA LTD (ASX: SUD) is a drug delivery company focused on oro-mucosal administration, headquartered in Perth, Western Australia. The Company is developing low-risk oral sprays using novel formulations of existing off-patent pharmaceuticals. The many potential benefits of administering drugs through the oral mucosa (ie: cheeks, tongue, gums and palate) include ease of use, lower dosage, reduced side effects and faster response time. SUDA's product pipeline includes ZolpiMist®, a first-in-class oral spray of zolpidem for insomnia. ZolpiMist® is marketed in the USA and SUDA has rights to the product outside of the Americas and South Africa. SUDA's most advanced development-stage product, ArTiMist™, is a novel sublingual malaria treatment for children. In a Phase III trial, ArTiMist™ was shown to be superior to intravenous quinine. Other products in development include oral sprays for the treatment of migraine headache, chemotherapy-induced nausea and vomiting, erectile dysfunction and pre-procedural anxiety. For more information, visit www.sudaltd.com.au

ANNEXURE A
ASX WAIVER – LISTING RULE 10.1

The Company has been granted a waiver from Listing Rule 10.1 to allow the Company to grant security over the assets of the Company to the Directors (or their controlled entities) ("**Related Parties**") in connection with the issue of the 2015 Notes without obtaining shareholder approval on the following terms:

1. The security includes a term that if an event of default occurs and the Related Parties exercise their rights under the security, neither the Related Parties nor any of their associates can acquire any legal or beneficial interest in an asset of the Company in full or part satisfaction of the Company's obligations under the 2015 Notes, or otherwise deal with the assets of the Company, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver or receiver and manager (or any other person acting on behalf of the Related Parties) appointed by the Related Parties exercising their power of sale under the security and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to the Related Parties in accordance with its legal entitlements.
2. A summary of the material terms of the 2015 Notes is made in each annual report of the Company during the term of the 2015 Notes.
3. Any variations to the terms of the 2015 Notes or the security which is:
 - (a) not a minor change; or
 - (b) inconsistent with the terms of the waiver,must be subject to shareholder approval.
4. The Company must seek to discharge the security when the funds advanced under the 2015 Notes are repaid, or if it is not discharged, seek shareholder approval for the continuation of the security for any further loan facility amount.
5. The Company immediately releases to the market an announcement which sets out the terms of the waiver, and the Company's plans with respect to the repayment of the funds advanced under the 2015 Notes and the discharge of the security, including the timeframe within which it expects the repayment and discharge to occur.

The Company notes that it must repay outstanding amounts under the 2015 Notes before their respective payment dates unless the 2015 Notes are converted to equity under the terms and conditions of the relevant agreements. Pursuant to the General Security Deeds granting security over the Company and its wholly owned subsidiary, the security granted in relation to the 2015 Notes will be discharged in following repayment or conversion of all amounts provided under the 2015 Notes.

Appendix 3Y

Change of Director's Interest Notice

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 30/09/01 Amended 01/01/11

Name of entity	Suda Ltd
ABN	35 090 987 250

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Michael Robert STEWART
Date of last notice	26 June 2015

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct and Indirect
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	Related holdings in Kamala Holdings Pty Ltd AFT for <Kamala (1994) Super fund> and Kamala Holdings Pty Ltd <Asten Discretionary Trust> as a Director and beneficiary
Date of change	20 Oct 2015
No. of securities held prior to change	Held Indirectly: 1. 23,483,334 Ordinary Fully Paid Shares 2. 350,000 Secured Convertible Notes (30/09/2015) Held Directly: 3. 5,000,000 Unlisted Options (11 May 2017: 7.2 cents) 4. 2,712,820 Performance Rights (11 May 2017)
Class	Secured Convertible Notes
Number acquired	Nil

+ See chapter 19 for defined terms.

Appendix 3Y

Change of Director's Interest Notice

Number disposed	350,000
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	\$350,000
No. of securities held after change	<p>Held Indirectly:</p> <ol style="list-style-type: none"> 23,483,334 Ordinary Fully Paid Shares <p>Held Directly:</p> <ol style="list-style-type: none"> 5,000,000 Unlisted Options (11 May 2017: 7.2 cents) 2,712,820 Performance Rights (11 May 2017)
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Cancellation of Secured Convertible Notes.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of “notifiable interest of a director” should be disclosed in this part.

Detail of contract	N/A
Nature of interest	N/A
Name of registered holder (if issued securities)	N/A
Date of change	N/A
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	N/A
Interest acquired	N/A
Interest disposed	N/A
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	N/A
Interest after change	N/A

+ See chapter 19 for defined terms.

Part 3 – ⁺Closed period

Were the interests in the securities or contracts detailed above traded during a ⁺closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	N/A
If prior written clearance was provided, on what date was this provided?	N/A

Dated 21 October 2015



Stephen Carter
Chief Executive Officer / Managing Director

⁺ See chapter 19 for defined terms.

Appendix 3Y

Change of Director's Interest Notice

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 30/09/01 Amended 01/01/11

Name of entity	Suda Ltd
ABN	35 090 987 250

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Stephen John Carter
Date of last notice	15 May 2014

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Indirect and Direct
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	Director and Shareholder of Pearl Cove Investments Pty Ltd
Date of change	20 Oct 2015
No. of securities held prior to change	Held indirectly 50,000 Secured Convertible Notes (30/09/2015) Held directly 4,069,231 Performance Rights (11 May 2017)
Class	Secured Convertible Notes
Number acquired	Nil
Number disposed	50,000
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	\$50,000

+ See chapter 19 for defined terms.

No. of securities held after change	Held directly 4,069,231 Performance Rights (11 May 2017)
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Cancellation of Secured Convertible Notes.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	N/A
Nature of interest	N/A
Name of registered holder (if issued securities)	N/A
Date of change	N/A
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	N/A
Interest acquired	N/A
Interest disposed	N/A
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	N/A
Interest after change	N/A

+ See chapter 19 for defined terms.

Part 3 – +Closed period

Were the interests in the securities or contracts detailed above traded during a +closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	N/A
If prior written clearance was provided, on what date was this provided?	N/A

Dated 21 October 2015



Stephen Carter
Chief Executive Officer / Managing Director

+ See chapter 19 for defined terms.

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Change of Director's Interest Notice

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 30/09/01 Amended 01/01/11

Name of entity	Suda Ltd
ABN	35 090 987 250

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Joseph Daniel Ohayon
Date of last notice	1 December 2014

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	N/A
Date of change	20 Oct 2015
No. of securities held prior to change	20,000 Secured Convertible Notes (30/09/2015) 2,750,000 Performance Rights (26/11/2017)
Class	Secured Convertible Notes
Number acquired	Nil
Number disposed	20,000
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	\$20,000

+ See chapter 19 for defined terms.

Appendix 3Y

Change of Director's Interest Notice

No. of securities held after change	2,750,000 Performance Rights (26/11/2017)
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Cancellation of Secured Convertible Notes.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	N/A
Nature of interest	N/A
Name of registered holder (if issued securities)	N/A
Date of change	N/A
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	N/A
Interest acquired	N/A
Interest disposed	N/A
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	N/A
Interest after change	N/A

+ See chapter 19 for defined terms.

Part 3 – ⁺Closed period

Were the interests in the securities or contracts detailed above traded during a ⁺closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	N/A
If prior written clearance was provided, on what date was this provided?	N/A

Dated 21 October 2015



Stephen Carter
Chief Executive Officer / Managing Director

⁺ See chapter 19 for defined terms.