

14 January 2016

Company Announcement Office
Australian Securities Exchange Limited

Dear Sir/Madam

Re: Appendix 3B - Securities released from escrow

The following listed securities were recently released from escrow on the following nominated release dates:

Security description	Release Date	Number
Ordinary fully paid shares	13 January 2016	33,296,878
Ordinary fully paid shares	14 January 2016	18,000,000
Options Expiring 10 Jan 2018 and exercisable at \$0.25	14 January 2016	12,500,000

An Appendix 3B reflecting the above changes is attached.

Yours sincerely,



Ranko Matic
Non-Executive Director
Company Secretary

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, 04/03/13

Name of entity

Valmec Limited

ABN

94 003 607 074

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 | |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | |
| 3 | Principal terms of the +securities (e.g. 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) | |

+ See chapter 19 for defined terms.

4	<p>Do the ⁺securities rank equally in all respects from the ⁺issue date 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 	
5	Issue price or consideration	
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	
6a	<p>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>	
6b	<p>The date the security holder resolution under rule 7.1A was passed</p>	
6c	<p>Number of ⁺securities issued without security holder approval under rule 7.1</p>	
6d	<p>Number of ⁺securities issued with security holder approval under rule 7.1A</p>	

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)							
6f	Number of +securities issued under an exception in rule 7.2							
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.							
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							
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							
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>							
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>81,834,017</td> <td>Fully paid ordinary shares</td> </tr> <tr> <td>50,740,001</td> <td>Options to acquire fully paid ordinary shares exercisable at \$0.25 on or before 10 January 2018</td> </tr> </tbody> </table>	Number	+Class	81,834,017	Fully paid ordinary shares	50,740,001	Options to acquire fully paid ordinary shares exercisable at \$0.25 on or before 10 January 2018
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+ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable)	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>500,000</td><td>Unlisted employee options exercisable at \$0.25 and expiring on 30 June 2018.</td></tr><tr><td>595,607</td><td>Unlisted Performance Rights</td></tr><tr><td>1,698,917</td><td>Unlisted options exercisable at 30c each and expiring on 30 September 2019.</td></tr><tr><td>18,000,001</td><td>Convertible Redeemable Preference Shares (CRPS)</td></tr></table>	Number	⁺ Class	500,000	Unlisted employee options exercisable at \$0.25 and expiring on 30 June 2018.	595,607	Unlisted Performance Rights	1,698,917	Unlisted options exercisable at 30c each and expiring on 30 September 2019.	18,000,001	Convertible Redeemable Preference Shares (CRPS)
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18,000,001	Convertible Redeemable Preference Shares (CRPS)											
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	For any future dividends, shares issued on exercise of Options will rank the same as existing fully paid ordinary shares.										

Part 2 - Pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the ⁺ securities will be offered	
14	⁺ Class of ⁺ securities to which the offer relates	
15	⁺ Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	

18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
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	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements <i>in full</i> through a broker?	

+ See chapter 19 for defined terms.

- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

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

Entities that have ticked box 34(b)

- 38 Number of ⁺securities for which ⁺quotation is sought
- | | |
|------|------------|
| i. | 33,296,878 |
| ii. | 18,000,000 |
| iii. | 12,500,000 |

39	<p>+Class of +securities for which quotation is sought</p>	<table><tr><td>i.</td><td>Fully Paid Ordinary Shares</td></tr><tr><td>ii.</td><td>Fully Paid Ordinary Shares</td></tr><tr><td>iii.</td><td>Listed Options exercisable at \$0.25 on or before 10 January 2018</td></tr></table>	i.	Fully Paid Ordinary Shares	ii.	Fully Paid Ordinary Shares	iii.	Listed Options exercisable at \$0.25 on or before 10 January 2018
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i.	Yes							
ii.	Yes							
iii.	Yes							
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	<table><tr><td>i.</td><td>Release from escrow on 13th January 2016</td></tr><tr><td>ii.</td><td>Release from escrow on 14th January 2016</td></tr><tr><td>iii.</td><td>Release from escrow on 14th January 2016</td></tr></table>	i.	Release from escrow on 13 th January 2016	ii.	Release from escrow on 14 th January 2016	iii.	Release from escrow on 14 th January 2016
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+ See chapter 19 for defined terms.

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 is not available now, we 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:
(Director/Company secretary)

Date: 14 January 2016

Print name: Ranko Matic
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