



8 September 2014

Company Announcements Office
ASX Limited

Exercise of Options and Issue of Shares

We advise that **100,000** Options (NANAM), **50,000** Options (NANAP) and **25,000** Options (NANAA) have been exercised under the Nanosonics General Share Option Plan. A total of **175,000** shares have been issued. There remain **6,150,972** unlisted Options and Performance Rights on issue. These movements in options are detailed in the attached Appendix 3B.

Notice under Section 708A(5)(e)

As at 5 September 2014, Nanosonics Limited gives notice under section 708A(5)(e) of the Corporations Act 2001 (Corporations Act) that:

1. The Company issued the securities without disclosure to investors under Part 6D.2 of the Corporations Act.
2. The Company has complied with the provisions, as they apply to the Company, of Chapter 2M of the Corporations Act and with Section 674 of the Corporations Act; and
3. There is no information:
 - a. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - b. which investors and their professional advisors would reasonably require for the purpose of making an informed assessment of the assets and liabilities, financial performance, profits and losses and prospects of Nanosonics, or the rights and liabilities attaching to Nanosonics ordinary shares.

Nanosonics Limited

A handwritten signature in dark ink, appearing to read "McGregor Grant".

McGregor Grant
Company Secretary

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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

Nanosonics Limited

ABN

11 095 076 896

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 | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 175,000 |
| 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) | Ordinary Shares issued in accordance with the terms of the Nanosonics General Share Option Plan |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • 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	Yes, The shares issued rank equally in every respect with, and are included with, quoted ordinary shares (ASX code NAN) – see note 8 below.
5	Issue price or consideration	100,000 shares at 0.784 (NANAM) \$78,400.00 50,000 shares at 0.532 (NANAP) \$26,600.00 25,000 shares at 0.5133 (NANAA) \$12,832.50
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Exercise of Options under the Nanosonics General Share Option Plan.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	N/A	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A	
6f	Number of +securities issued under an exception in rule 7.2	N/A	
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.	N/A	
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	N/A	
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	+Issue dates 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. Cross reference: item 33 of Appendix 3B.	05 September 2014	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number 264,332,826	+Class Fully Paid Ordinary Shares

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

9 Number and ⁺class of all ⁺securities not quoted on ASX (including the ⁺securities in section 2 if applicable)

Number	⁺ Class
0	ASX Code NANAM – Unquoted General Options, with exercise price of A\$0.784, expiring on 1 October 2014.
30,000	ASX Code NANAN – Unquoted Employee Options, with exercise price of A\$0.918 expiring on 23 February 2015.
1,400,000	ASX Code NANA0 – Unquoted Employee Options, with exercise price of A\$0.85 expiring on 28 April 2016.
65,000	ASX Code NANAP – Unquoted Employee Options, with exercise price of A\$0.5320 expiring on 21 November 2015.
6,769	NANAS – Unquoted Employee Options, with exercise price of A\$0.00 expiring on 1 April 2015
1,220,000	NANAZ – Unquoted Performance Rights, with exercise price of A\$0.00 expiring on 30 September 2015
130,000	NANAA – Unquoted General Options, with exercise price of A\$0.5133 expiring on 21 November 2016.
183,334	NANAB – Unquoted General Options, with exercise price of A\$0.5220 expiring on 21 November 2016.
712,970	NANAD – Unquoted Performance Rights, with exercise price of A\$0.00 expiring on 30 September 2015
1,500,000	NANAE – Unquoted Performance Rights, with exercise price of A\$0.00 expiring on 30 September 2017
134,818	NANAF – Unquoted Performance Rights, with exercise price of A\$0.00 expiring on 30 September 2016
633,706	NANAG – Unquoted Performance Rights, with exercise price of A\$0.00 expiring on 30 September 2016
134,375	NANAH – Unquoted Performance Rights, with exercise price of A\$0.00 expiring on 30 July 2015
1	NANAT - 6% Tranche A Convertible Note with a face value of \$4,000,000 maturing on 28 June 2016
1	NANAU - 6% Tranche B Convertible Note with a face value of \$3,500,000 maturing on 28 June 2016

⁺ See chapter 19 for defined terms.

- | | | |
|----|--|----------------|
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | Not Applicable |
|----|--|----------------|

Part 2 - Pro rata issue

Questions 11-33

Not Applicable

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

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

Questions 38 - 42

Not Applicable

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: 8 September 2014

Print name: McGregor Grant

+ See chapter 19 for defined terms.