

ASX Release

NEW LOAN ARRANGEMENTS

Sydney, Australia, 6 January 2015

NuSep Holdings Limited (ASX:NSP) is pleased to advise that it has paid out the loan from Mr. John Manusu in full and has accepted a new loan in its place from Mr. Mark Gell, a non-executive director of the Company, for the equivalent amount and under the same terms. The new loan is for \$89,329.69 and has a fixed interest rate of 12%.

The new funds from Mr. Gell were received on 24 December 2014 and Mr. Manusu's loan was paid out in full on 5 January 2015.

Subject to future Shareholder approval, Mr. Gell would like to convert his loan to a Convertible Note, with the same terms that were offered to Mr. Manusu at the 19 December 2014 AGM, the key terms of which are as follows:

Term: 3 years

Commencement Date: 24 December 2014

Expiry conversion: At expiry the remaining balance of the note will be converted at the conversion price to fully paid ordinary shares.

Conversion price: 6.45 cents per share, which is a 10% discount to the 5 day VWAP before 29/9/2014 and the same price as the Andrew Goodall Convertible Note which was approved at the 19 December 2014 AGM. The offer to replace Mr. Manusu's loan with a Convertible Note was made by Mr. Gell several weeks prior to the 19 December AGM but was subject to the approval of resolutions 14a, b, c and d and 15a at the AGM.

Interest rate: Fixed, at 12%

Interest payments: All interest will be converted into fully paid ordinary shares at the conversion price on 1 April and 1 October each year.

Repayment right: NuSep will have the right to repay the Convertible Note at any time throughout the term.

For further information please contact:

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