

18 June 2015

Company Announcements Office
Australian Securities Exchange

ISSUE OF PLACEMENT SHARES

Aeris Environmental Ltd (ASX:AEI) refers to the announcement made on 11 June 2015 in regards to a placement. The Company now advises that it has completed the issue of 10,040,000 ordinary fully paid shares at A\$0.50 per share, which raised A\$5,020,000. The placement was strongly supported by sophisticated and institutional investors in Australia, together with a significant cornerstone investment from a leading fund based in Hong Kong.

The funds raised will be used to support the Company's previously-stated expansion plans for its 'clean, green, protect' platforms, being SmartENERGY, coatings, enzymatic remediation and smart (anti-microbial) polymers. In addition, Aeris will use the funds to pursue a number of long-term, energy-saving operating agreements to provide ongoing annuity income to the business, for corporate costs and working capital. The Company has made considerable progress in the Asia Pacific region, and intends to increase its commercial activity and presence in these international markets.

The Company also advises that a consultant to the Company has exercised 250,000 options with an exercise price of \$0.25. An amount of A\$62,500 was raised from the issue of 250,000 ordinary fully paid shares and will be used for working capital purposes.

Attached is an Appendix 3B for the issue of these shares.

Cleansing Notice Under Section 708A(5)(e)

Aeris Environmental Ltd advises that on 18 June 2015 the Company issued 10,290,000 ordinary fully paid shares as set out above. The Company advises that:

- (1) this notice is being given within five business days after the day of the issue under section 708A(5)(e) of the Corporations Act 2001 (Cth);
- (2) the Company issued the securities without disclosure to investors under Part 6D.2 of the Corporations Act 2001;
- (3) as at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act 2001 as they apply to the Company; and
 - (b) section 674 of the Corporations Act 2001; and
- (4) except as may be set out in this notice, there is no other information that is excluded information as at the date of this notice that is required to be set out in this notice under section 708A(6)(e) of the Corporations Act 2001.

Aeris Environmental Ltd

Robert J Waring
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

Aeris Environmental Ltd

ABN

19 093 977 336

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 fully paid shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 10,040,000 ordinary fully paid shares in placement

250,000 ordinary fully paid shares on exercise of 250,000 options. |
| 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) | New shares rank equally with fully paid ordinary shares on issue. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

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 	<p>Yes – the new shares rank equally with existing fully paid ordinary shares.</p>
5	Issue price or consideration	<p>A\$0.50 per share in placement.</p> <p>A\$0.25 per share on exercise of options.</p>
6	<p>Purpose of the issue</p> <p>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Set out in attached ASX announcement.</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>	<p>No</p>
6b	The date the security holder resolution under rule 7.1A was passed	<p>Not Applicable</p>
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	<p>Not Applicable</p>
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	<p>Not Applicable</p>
6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	<p>Not Applicable</p>
6f	Number of ⁺ securities issued under an exception in rule 7.2	<p>Not Applicable</p>

⁺ See chapter 19 for defined terms.

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.	Not Applicable	
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	Not Applicable	
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	Not Applicable	
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.	18 June 2015	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		151,428,722	Fully paid ordinary shares

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class												
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	<table><tr><td>25,000</td><td>Options – Expire 9 January 2016 with an exercise price of 25 cents</td></tr><tr><td>50,000</td><td>Options – Expire 17 March 2016 with an exercise price of 15 cents</td></tr><tr><td>500,000</td><td>Options – Expire 31 July 2016 with an exercise price of 31 cents</td></tr><tr><td>250,000</td><td>Options – Expire 17 November 2016 with an exercise price of 16.5 cents</td></tr><tr><td>20,000</td><td>Options – Expire 23 February 2017 with an exercise price of 22 cents</td></tr><tr><td>500,000</td><td>Options – Expire 31 July 2019 with an exercise price of 20 cents</td></tr></table>	25,000	Options – Expire 9 January 2016 with an exercise price of 25 cents	50,000	Options – Expire 17 March 2016 with an exercise price of 15 cents	500,000	Options – Expire 31 July 2016 with an exercise price of 31 cents	250,000	Options – Expire 17 November 2016 with an exercise price of 16.5 cents	20,000	Options – Expire 23 February 2017 with an exercise price of 22 cents	500,000	Options – Expire 31 July 2019 with an exercise price of 20 cents
25,000	Options – Expire 9 January 2016 with an exercise price of 25 cents													
50,000	Options – Expire 17 March 2016 with an exercise price of 15 cents													
500,000	Options – Expire 31 July 2016 with an exercise price of 31 cents													
250,000	Options – Expire 17 November 2016 with an exercise price of 16.5 cents													
20,000	Options – Expire 23 February 2017 with an exercise price of 22 cents													
500,000	Options – Expire 31 July 2019 with an exercise price of 20 cents													
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Full participation in any future dividends.												

Part 2 - Pro rata issue

Questions 11 to 33 are 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

+ See chapter 19 for defined terms.

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)

Questions 38 to 42 are not applicable.

⁺ 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: 18 June 2015

Print name:

Robert J Waring

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	The Company did not seek shareholder approval at its Annual General Meeting under ASX Listing Rule 7.1A.
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	
Total [“A” x 0.15] – “C”	<i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	Not Applicable
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> <i>This applies to equity securities – not just ordinary securities</i> <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>