

8 July 2015

ASX ANNOUNCEMENT

SCANTECH UNMARKETABLE PARCEL SALE FACILITY

Scantech Limited is providing shareholders the opportunity to sell their small holdings of Scantech shares at no cost to the shareholder.

Attached is the mailout to the shareholders with 925 shares or less.

ABOUT SCANTECH

Scantech is a world leader in process control technologies, specialising in the minerals, cement and coal industries.

Its award-winning technology measures the composition and quality of bulk materials as they pass through its analysers on conveyor belts.

Detailed analysis is provided in real time, enabling quick decisions that can result in improved process control, significant cost savings, longer plant life and substantial environmental benefits.

Scantech analysers are designed and manufactured in Adelaide, South Australia.

The company is listed on the Australian Stock Exchange (ASX: SCD).

For enquiries refer to Valerie Steer on (08) 8350 0200.



Company Secretary

Scantech Limited
ACN 007 954 627
Incorporated in South Australia

143 Mooringe Avenue
Camden Park
SA 5038 Australia

Correspondence
PO Box 64 Unley
SA 5061 Australia

Web: www.scantech.com.au
Tel: +618 8350 0200
Fax: +618 8350 0188



Date: 8 July 2015

Dear Shareholder,

Scantech Unmarketable Parcel Sale Facility

Scantech Limited (ACN 007 954 627) (Scantech) is providing shareholders the opportunity to sell their small holdings of Scantech shares at no cost to the shareholder. Many Scantech shareholders, like you, hold a small number of shares with a low value that can be relatively expensive to sell due to brokerage fees compared to the market value.

The Scantech Unmarketable Parcel Sale Facility (Sale Facility) provides Eligible Shareholders a convenient way to sell their Scantech shares without brokerage costs and is designed to reduce Scantech's ongoing administrative costs of managing those shareholdings.

The proceeds of the Sale Facility will be paid by cheque in Australian dollars and will be mailed to participating shareholders to the address held on the register.

Unmarketable Parcel Sale Facility

The Sale Facility is open to Scantech shareholders who held 925 or less Scantech shares (market value of less than \$500¹) as at 7:00 pm (Adelaide time) on 3 July 2015 (Record Date). Our records show that you held 925 or less Scantech shares at the Record Date and accordingly your shareholding is eligible for this facility.

Accompanying this letter is a share retention form and the terms and conditions of the Sale Facility. **These documents contain important information about your Scantech shares and you should read them carefully.** Eligible shareholders do not need to take any action if they wish to participate. **If you take no action by 19 August 2015, Scantech will be entitled to have your shares sold and the proceeds sent to you.**

The Sale Facility closes at 5:00 pm (Adelaide time) on 19 August 2015.

What you need to do if you wish to keep your shares

If you wish to keep your Scantech shares you must return the enclosed *Share Retention Form* as outlined so it is **received by 5:00 pm (Adelaide time) on 19 August 2015**. If you decide to keep your Scantech shares you will most likely incur transaction costs associated with disposing of your Scantech shares in the future.

If you decide that you want Scantech to sell your shares under the Sale Facility and remit the sale proceeds to you, you do not need to do anything.

If you acquire additional Scantech shares on market before market close on 19 August 2015, so that you hold a marketable parcel (which is determined by ASX to be more than \$500 in value) Scantech will not sell your shares for you under the Sale Facility. If you wish to increase your shareholding to a marketable parcel, you should contact your broker.

¹ Based on Scantech closing price of \$0.54 on 3 July 2015. The \$500 market value limit is determined by ASX Listing Rules governing small holding facilities. Holdings with a market value of \$500 or more do not comply with ASX Listing Rules governing small holding facilities of this nature.

What price will I receive for my Scantech Shares?

The sale price for each of your Scantech shares will be the volume weighted average price per share of all Scantech shares sold by Scantech's broker on the ASX under the Sale Facility (Sale Price). All shareholders participating in the Sale Facility will receive the same Sale Price per share.

Important Information

If you wish to keep your Scantech shares you must return the enclosed Share Retention Form to Scantech Registry, Computershare Investor Services Pty Limited, so it is received by 5:00 pm (Adelaide time) on 19 August 2015.

THIS IS AN IMPORTANT NOTICE

Scantech Limited does not make any recommendation to you regarding whether to participate in the Sale Facility. You may wish to elect to maintain your existing shareholding. If you wish to sell your shares, there are advantages in participating in the Sale Facility compared to using a broker and vice versa. If you are in any doubt, or if you require further information regarding possible tax implications from participating in the Sale Facility, please consult your legal, financial or taxation adviser.

If you have any questions concerning this letter or the accompanying documents, please contact Scantech on (08) 8350 0200 (within Australia) or +61 8 8350 0200 (outside Australia) with any questions.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Peter Pedler', with a long horizontal flourish extending to the right.

Peter Pedler
Chairman

Scantech Limited

ABN 50 007 954 627

Return your Form to the Company's share registry:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 1326
Adelaide South Australia 5001
Australia

For all enquiries:

Phone:



(within Australia) 08 8350 0200
(outside Australia) +61 8 8350 0200

Small Holding Sale Facility - Share Retention Form



If you wish to retain your shares, your form must be received by 19 August 2015

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Shareholding Details

Use this form if you wish to retain your shares in Scantech Limited. If you have recently bought or sold shares your shareholding may differ from that shown. If you have already sold all your shares in Scantech Limited, do not complete or return this form. If you have more than one shareholding on Scantech Limited's register and you do not wish to sell your shares under the Small Shareholding Sale Facility, you should consider consolidating them. For further advice on how to do this, contact Computershare Investor Services Pty Limited (CIS) on 1300 556 161 or +61 3 9415 4000.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored shareholding, please contact your Controlling Participant to notify a change of address.

Step 2: Signing Instructions

Individual: Where the shareholding is in one name, the shareholder must sign.

Joint Shareholding: Where the shareholding is in more than one name, all of the shareholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the shareholding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the shareholding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: Where the shareholding is in the name of a deceased estate, all executors must sign; and a certified copy or original, of the required documentation must accompany this form. Details of the documentation required can be found by searching "deceased estates" on our website www.computershare.com or by calling Computershare Investor Services Pty Limited on 1300 556 161 or +61 3 9415 4000. If the shareholding is in more than one name the surviving shareholder may sign the form and return it together with a certified copy of the death certificate of the other joint shareholder.

Step 3: Contact Details


Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form ➔

Small Holding Sale Facility - Share Retention Form

STEP 1

Shareholding Details

 For your security keep your SRN/
HIN confidential.

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise their broker of any changes.

Shares held as at Friday 3 July 2015:

STEP 2

Signature of Shareholder(s) *This section must be completed.*

By signing and returning this form, in accordance with the requirements set out in 'Step 2: Signing Instructions' overleaf, I/we confirm that I/we understand that my/our **SHARES WILL NOT BE SOLD** under the Small Shareholding Sale Facility.

Individual or Shareholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Shareholder 2

Director

Shareholder 3

Director/Company Secretary
(cross out titles as applicable)

STEP 3

Contact Details

Contact
Name

Contact
Daytime
Telephone

Date / /

Email
Address

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Terms and Conditions – Small Holding Sale Facility

1. **Scantech Limited** (the **Company**) is authorised under its constitution to operate the Small Holding Sale Facility. This document, as well as the letter and Share Retention Form which accompany this document, satisfy the notice requirements set out in the Company's constitution.
 2. If you wish for the Company to have your Company shares **sold** for you with the proceeds being sent to you (without you paying any brokerage or handling charges), you **do not** need to respond to this correspondence.
 3. The Company will bear the brokerage and handling costs associated with sales of Company shares under the Small Holding Sale Facility. However, you will bear any other tax or charge on the sale of your shares.
 4. You can **retain** your Company shares if you wish to do so. If this is the case, **before 5.00 pm (Adelaide time) on 19 August 2015** you **must** do one of the following:
 - (a) complete the enclosed Share Retention Form and return it in accordance with the instructions on the form so that it is received by 5.00 pm (Adelaide time) on 19 August 2015;
 - (b) otherwise purchase additional Company shares so that your shareholding becomes a marketable parcel. For such purchases to be an effective notification to Company that you wish to retain your shares, any additional shares must be held in the same holding as your current shares (ie you must advise your broker to purchase the shares under the same holder number (Holder Identification Number (HIN) or Securityholder Reference Number (SRN)) that is stated on the enclosed forms) and must be registered by the time referred to above.
- If none of those events occur before 5.00 pm (Adelaide time) on **19 August 2015**, the Company will be entitled to have your Company shares sold for you.
- Note you may withdraw your Share Retention Form and not retain your Company shares if you change your mind by advising the Company in writing prior to the closing date of the Sale Facility.*
5. The Company has appointed an execution only broker to arrange sales of Shares under the Small Holding Sale Facility. Any sales are currently intended to take place as soon as practicable (which is expected to be within 21 days) after 5.00 pm (Adelaide time) on **19 August 2015**. The Shares will be sold on the Australian Securities Exchange (ASX) in the ordinary course of business (including by crossings).
 6. If your Shares are in a CHESS holding, the Company may, without further notice to you, initiate a holding adjustment to move those Shares to an issuer sponsored holding or a certificated holding for the purposes of sale under the Small Holding Sale Facility.
 7. The price that you receive for your Company shares if they are sold under the Small Holding Sale Facility will be the volume weighted average price of all Company shares sold under the Small Holding Sale Facility.
 8. **You should note that the price obtained for your Company shares under the Small Holding Sale Facility will depend on a number of factors (including market conditions prevailing at the time) and that you will not have control over the time at which your Company shares are sold. The price you receive may be different to the price appearing in the newspaper or quoted by ASX on any day, and may not be the best execution price on the trading day or trading days that your shares are sold.** However, without limitation to the foregoing, the Company must arrange for shares sold under the Small Holding Sale Facility to be sold at the best price reasonably obtainable for those Company shares at the time of the relevant sale.
 9. No interest will be payable to you in relation to the proceeds of sale of your Company shares. Interest (if any) earned on such amounts deposited in the account maintained by the Company will be retained by the Company.
 10. If your Company shares are sold under the Small Holding Sale Facility, within 10 business days after the settlement of the last sale under the Small Holding Sale Facility:
 - (a) sale proceeds calculated in accordance with clause 7 above will be paid to you in Australian dollars by cheque made out to your name as shown in the Company's share register; and
 - (b) the Company will notify you, by way of a transaction confirmation statement issued on behalf of the Broker, of the number of your Company shares sold through the Small Holding Sale Facility and the total sale proceeds you have received.
- The relevant cheque and transaction confirmation statement will be sent by post, at your risk, to your address as shown on the Company's share register.
11. In accordance with the Company's constitution, the Small Holding Sale Facility will lapse if a takeover bid for the Company is announced before sales under the facility are completed, although it may be started again after the close of offers made under the takeover.

