



ASX Release

Sydney Monday 15 February 2016

**PRO-RATA NON-RENOUNCEABLE ENTITLEMENT OFFER
ON A 1 FOR 1 BASIS AT \$0.01 TO RAISE UP TO \$2.846 MILLION (BEFORE COSTS)**

NuSep Holdings Limited (**ASX: NSP**) (**NuSep** or the **Company**) is pleased to announce an equity raising of up to \$2.846 million before costs, via a pro-rata, non-renounceable rights issue (**Entitlement Offer**) pursuant to a short form prospectus under section 713 of the Corporations Act 2001 (Cth) lodged with ASIC today (**Prospectus**).

Under the Prospectus, the Company intends to also conduct the following offers:

- the offer of 37,123,956 new options at no additional cost to the placement investors under the placement completed on 14 January 2016 (**Placement Investors**) on the basis of one (1) new option for every one (1) share issued under the placement (**Placement Option Offer**);
- the offer of 50 million options to Transocean Securities Pty Ltd ACN 009 230 120 (**Underwriter**) at no additional cost to the Underwriter (or its nominees) in part consideration for the underwriting services provided by the Underwriter in relation to the Entitlement Offer (**Underwriter Option Offer**).
- the offer of 20 million options to Dr Robert Gilmour (**Consultant**) at no additional cost to the Consultant (or his nominee) in part consideration for consultancy services provided by him to the Company (**Consultant Option Offer**).

Under the Entitlement Offer, shareholders residing in Australia and New Zealand (**Eligible Shareholders**) will be able to subscribe for 1 new share for every 1 share held as at 7.00 pm (Sydney time) on 19 February 2016 at an issue price of 1 cent per new Share together with one free attaching option exercisable at 1.6 cents on or before 30 November 2016 for every new Share subscribed for and issued (**Entitlement Offer**).

As at the date of this announcement, the Company has 284,617,002 fully paid ordinary shares on issue, and 5,900,000 unlisted options.

Based on the current capital structure of the Company (and assuming no options to acquire shares are exercised prior to 19 February 2016), if the Entitlement Offer is fully subscribed, an additional 284,617,002 new shares will be issued.

The funds raised by the Entitlement Offer will be used to settle debt, fund product development, pay the costs of the Offers and otherwise be available for working capital.

Underwriting and Sub-Underwriting

The Entitlement Offer is fully underwritten by the Underwriter and the Company has entered into an underwriting agreement with the Underwriter today (**Underwriting Agreement**). In consideration for the Underwriter performing its obligations under the Underwriting Agreement, the Company has agreed to pay it 6% of the gross proceeds raised under the Entitlement Offer, 1% of the gross proceeds raised under the Entitlement Offer as a co-ordination fee, a corporate advisory fee of \$45,000 and, subject to shareholder approval, issue to it 50 million unquoted options exercisable at \$0.02 each (on or before the third anniversary of their issue date). The Underwriter may terminate its obligations under the Underwriting Agreement in circumstances typically found in agreements of this nature. Further details of the Underwriting Agreement are included in the Company's Prospectus lodged with ASIC today.

The Entitlement Offer is sub-underwritten to a total aggregate amount of \$955,571 by the directors of the Company or their related entities. The following directors' sub-underwriting arrangements have been entered into:

- (a) Andrew Ernest Goodall an amount of \$634,751 directly and \$26,885 in the name of AEMAGOOD Pty Ltd <Goodall Family Super Fund>;
- (b) Mark Edward Gell an amount of \$100,901 directly and \$103,178 in the name of Gelloyce Pty Ltd as trustee of the Gelloyce Superannuation Fund; and
- (c) Alison Coutts an amount of \$79,980 directly and \$9,876 in the name of Alison Coutts Consulting Pty Ltd <Alison Coutts Super Fund>.

Each of the above sub-underwriting arrangements is detailed in sub-underwriting agreements between the Underwriter and each director sub-Underwriter. The Company has agreed that the sub-underwriting liabilities in respect of the directors' sub-underwriting may be satisfied in full by the settlement and offset of existing debts owed by the Company to each of the director sub-underwriters. The directors' sub-underwriters will not receive a fee in respect of their sub-underwriting.

The Underwriter has sole discretion to deal with the shortfall under the Entitlement Offer, including applications for additional new shares to applicants who apply for shortfall securities.

Full details of the Entitlement Offer can be found in the Appendix 3B and Prospectus that have also been lodged with the ASX. It is expected that the Prospectus and accompanying Entitlement and Acceptance Form will be dispatched to Eligible Shareholders on 24 February 2016 in accordance with the timetable below. The Application Form relating to the Placement Option Offer, Application Form relating to the Underwriter Option Offer and Application Form relating to the Consultant Option Offer will also be dispatched to the Placement Investors, Underwriter and Consultant respectively on 24 February 2016 in accordance with the timetable below.

Shareholders with queries concerning the Entitlement Offer should contact their professional advisor or the Company's share registry, Boardroom Pty Limited, on 1300 737 760 from inside Australia or +61 2 9290 9600 from outside Australia between 8.00 am and 5.00 pm (AEDT) Monday to Friday.

The anticipated timetable for the Entitlement Offer is as follows:

Announcement of Entitlement Offer and lodgement of Appendix 3B with ASX	15 February 2016 (before commencement of trading)
Prospectus lodged with ASIC and ASX	15 February 2016
Notice containing Appendix 3B details sent to Shareholders	16 February 2016
New Shares quoted on 'ex' basis	17 February 2016
Record Date for identifying Shareholders entitled to participate in Entitlement Offer (7:00 pm Sydney time)	19 February 2016
Despatch of Prospectus to Shareholders	24 February 2016
Entitlement Offer opens	25 February 2016
Closing Date of the Entitlement Offer (5:00pm Sydney time)	4 March 2016
Deferred settlement trading of New Shares commences	7 March 2016
Announcement of shortfall	9 March 2016
New Shares and New Options issued under the Entitlement Offer. Deferred settlement trading ends and despatch of holding statements	11 March 2016
Expected commencement of trading of New Shares on ASX on a normal settlement basis	15 March 2016

** The above dates are indicative only and may change without notice subject to receipt of approval from ASX. The Company reserves the right to extend the Closing Date of the Entitlement Offer without notice (in consultation with the Underwriter). The commencement of trading of the New Shares is subject to confirmation from ASX.*

For further information please contact:

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