

**ASX Release**

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**NON-RENOUNCEABLE ENTITLEMENT ISSUE (the “OFFER”)**

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*Sydney Tuesday 23 February 2016*

NuSep Holdings Limited (**ASX: NSP**) (the **Company**) refers to its announcements on 15 and 16 February 2016 and notes the following:

1. The Placement Options Application Form included in the Prospectus and announced to the ASX on 15 February contained a rounding error in the exercise price where the exercise price of \$0.016 was rounded to \$0.02. A copy of the Placement Options Application Form with the correct exercise price of \$0.016 is attached and this is what will be dispatched to relevant shareholders.
2. The Notice with details of the Non-renounceable Entitlement offer mailed to Shareholders on 16 February contained two typographical errors. The first paragraph in the Notice incorrectly referred to the amount being raised through the rights issue of \$284,617,002 – the correct amount is up to around \$2.846 million. The second paragraph incorrectly referred to the directors underwriting up to \$955,571 – the correct statement is that the directors are sub-underwriting to the extent of \$955,571. A copy of the corrected 16 February Notice to shareholders is attached.

The timetable for the Offer has been amended such that the date for commencement of trading of the New Shares on ASX on a normal basis is now 14 March 2016, not 15 March 2016. The Notice that was sent to shareholders has been amended accordingly.

A Notice with details of the Non-renounceable Entitlement offer was mailed to Optionholders on 15 February 2016. As stated above in relation to the Notice to Shareholders, the Optionholder Notice referred to 15 March as the date for the commencement of trading. The date in the Optionholder Notice has now been updated to 14 March and is shown in the attached.

**For further information please contact:**

Alison Coutts  
Executive Chairman  
+61 2 8415 7300  
alison.coutts@nusep.com

Placement Option Application Form

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## PLACEMENT OPTION OFFER APPLICATION FORM

THIS APPLICATION RELATES TO THE OFFER OF OPTIONS FOR NIL CONSIDERATION IN WHICH, 37,123,956 MILLION UNQUOTED OPTIONS ARE EXERCISABLE AT \$0.016 ON OR BEFORE 30 NOVEMBER 2016

<b>A</b>	<b>Number of Options you are applying for</b>	<b>Exercisable at</b>
		<b>X \$0.016 per Option</b>

<b>B</b>	<b>Full name of Applicant/Company</b>
	<b>Applicant 1</b>
	<b>Applicant 2 or &lt;Account Designation&gt;</b>
	<b>Applicant 3 or &lt;Account Designation&gt;</b>

<b>C</b>	<b>Write your postal address here</b>
	<b>Number/Street</b>
	<b>Suburb/Town</b>
	<b>State</b>
	<b>Postcode</b>

<b>D</b>	<b>CHESS participant – Holder Identification Number (HIN) (to be completed where applicable)</b>
	<b>X</b>

<b>E</b>	<b>Enter your Tax File Number(s), ABN, or exemption category (to be completed where applicable)</b>
	<b>Applicant 1</b>
	<b>Applicant 2</b>
	<b>Applicant 3</b>

<b>F</b>	<b>Contact telephone number (daytime/work/mobile)</b>	<b>G</b>	<b>Email address</b>

By submitting this Application Form, I/We represent and warrant that I/we have read and understood the Prospectus dated 15 February 2016 (**Prospectus**) to which this Application Form relates and declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to the terms and conditions of the Placement Option Offer. I/We represent and warrant that I/we have not relied on any other information provided by the Company other as set out in the Prospectus when making my/our decision to apply for the options.

## LODGEMENT INSTRUCTIONS TO APPLICANTS

Please read these instructions carefully

### INTERPRETATION

Terms used in this Application Form have the same meaning as defined in the Prospectus.

### Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal

information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/privacy.html>).

16 February 2016

Dear Shareholder,

**NON-RENOUCEABLE RIGHTS ISSUE**

We write to you as a registered holder of NuSep Limited ("NSP") or the ("Company") shares as at today's date. As announced on 15 February 2016 NuSep Limited will undertake a non-renounceable pro-rata rights issue of one (1) share for every one (1) share held at A\$0.01 per share to raise up to approximately \$2.846 million before costs ("Rights Issue"). Funds raised will be applied towards settlement of debts and creditors, product development, working capital and costs of the Entitlement Offer.

Entities associated with the Company's Chairman and several large shareholders, including the directors, have sub-underwritten any rights not subscribed for to the extent of \$955,571. Transocean Securities has been appointed to underwrite the offer.

We are raising funds to develop the next generation SpermSep device. SpermSep selects the most viable sperm for both the human and animal applications using the Company's core separation technology. The next generation device will utilise a new membrane material that is more bio-compatible, easier and cheaper to make at scale than the prior membrane.

We will also continue our work with new membranes which will have application to other valuable bio-separations.

"Memphasys" will shortly become the new Company name. This name reflects the future emphasis we are putting on our membrane separation systems and signifies a clear break from the past.

Pricing of the Entitlement Offer has been set to offer excellent value to attract new capital for growth. A revitalised investor base is anticipated to build a vibrant market for our Shares over time as we achieve value adding milestones.

We welcome Shareholders to participate in growing the inherent value that lies within NuSep by taking up their rights in this Entitlement Offer.

Shareholders eligible to participate in the Rights Issue will be those Shareholders with a registered address in Australia or New Zealand as at 7:00pm AEST on the record date of 19 February 2016 ("Record Date"). The Company has determined that it would be unreasonable to extend the offer to participate in the Rights Issue to Shareholders in other jurisdictions having regard to the number of holders in those jurisdictions, the number and value of shares those holders would be offered under the Rights Issue, and the costs of complying with the legal requirements and requirements of regulatory authorities in those jurisdictions.

You will be entitled to participate in the Rights Issue if you remain a shareholder on the Record Date, with a registered address in Australia or New Zealand. Eligible shareholders will receive on or around 25 February 2016 a personalised Entitlement and Acceptance Form which will provide detailed instructions on how to participate in the Rights Issue.

The timetable for the Rights Issue is as follows:

Notice to Shareholders containing information in Appendix 3B	16 February 2016
Shares Trade "Ex" the entitlements issue on the ASX	17 February 2016
Record Date to identify Eligible Shareholders and to determine Entitlements under the offer.	19 February 2016
1. Despatch Offer and Entitlement and Acceptance Form ("Opening Date")  2. Advise ASX that despatch completed	24 February 2016
Closing Date	4 March 2016
Securities quoted on a deferred settlement basis	7 March 2016
ASX notified of under-subscriptions	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	14 March 2016

The timetable is indicative only and subject to change. Subject to the Act and the ASX Listing Rules, the Company reserves the right to vary the dates in connection with the Rights Issue, including the closing date, without prior notice. The Company also reserves the right not to proceed with all or part of the Rights Issue at any time prior to the date of issue of the new shares (in which case application monies will be refunded without interest).

Yours faithfully,



Alison Coutts  
Executive Chairman

15 February 2016

Dear Optionholder

### **PARTICIPATION IN PRO RATA NON-RENOUCEABLE RIGHTS ISSUE**

As you may be aware, NuSep Holdings Limited ACN 120 047 556 (**NuSep**) announced to ASX earlier today that it is intending to undertake a non-renounceable pro rata entitlement (**Rights Issue**) on the basis of:

- 1 fully paid ordinary shares in NuSep (**New Shares**) for every 1 ordinary share held in NuSep, at an issue price of 1.0 cents per New Share. For every share subscribed applicants will receive one free bonus attaching option, with an exercise price of \$0.016 and an expiry date of 30 November 2016.

Only holders of NuSep ordinary shares with addresses in Australia and New Zealand who are registered with NuSep's share registry as at 5.00pm, Sydney time on 19 February 2016 (**Record Date**) will be eligible to participate in the Rights Issue (**Eligible Shareholders**). Eligible Shareholders will also have the opportunity to apply for additional New Shares in excess of their full entitlement. The Rights Issue is underwritten by Transocean Securities Pty Ltd.

The Rights Issue will result in the issue of up to 284,617,002<sup>1</sup> New Shares and will raise up to \$2.846 million before expenses.

According to NuSep's records, you hold options to acquire ordinary shares in NuSep.

Your options do not contain any right to participate in the Rights Issue. The purpose of this letter is to give you notice prior to the Record Date of the Rights Issue and the opportunity to exercise your options should you wish to participate in the Rights Issue.

If you wish to participate in the Rights Issue (to the extent of any shares which would be issued to you upon the exercise of your options), you must exercise your options in time for the resulting shares to be issued to you before 5.00pm (Sydney time) on the Record Date.

To ensure that your Shares are issued in time, your notice of exercise of option (**Notice of Exercise**) together with your payment as cleared funds for the relevant exercise price must be received by NuSep no later than **5.00pm (Sydney time) on 19 February 2016**.

Any shares the subject of a Notice of Exercise that is received by NuSep after this time cannot be assured of being issued to you before 5.00pm (Sydney time) on the Record Date.

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<sup>1</sup> Assuming no NuSep optionholders exercise any of their options to acquire ordinary shares in NuSep before the Record Date so as to participate in the Rights Issue

Please also note that the offer to participate in the Rights Issue is not being made to NuSep shareholders who have a registered address with NuSep's share registry outside Australia or New Zealand. Therefore, if you are not a resident of Australia or New Zealand, you will not be entitled to participate in the Rights Issue even if you exercise your options in NuSep.

If you do not wish to participate in the Rights Issue in respect of your options, you do not need to take any action.

Before deciding whether to exercise all or any of your options, you should consider the terms of the Rights Issue and the exercise price of your options and, if necessary, consult with your professional advisor.

### **Indicative Timetable**

The New Shares will be offered under the Rights Issue pursuant to an Offer Memorandum prepared in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Offer Memorandum**) in accordance with the following timetable:

<b>EVENT</b>	<b>DATE (2016)</b>
Announce Rights Issue to ASX & lodge Appendix 3B	15 February
Provide notice of Rights Issue, information required by Appendix 3B and Timetable to Shareholders	16 February
Ex date	17 February
Record date	19 February
Despatch Offer Memorandum to shareholders and inform ASX of despatch	24 February
Offer closing date	4 March
Deferred settlement trading commences	7 March
Shortfall notification to ASX	9 March
Allotment and issue	11 March
Normal trading commences	14 March

The above timetable is indicative only. Subject to the Act and the ASX Listing Rules, NuSep reserves the right to vary the dates in connection with the Rights Issue, including the closing date, without prior notice.

### **Further Details**

Full details of the Rights Issue are contained in the announcement of the Rights Issue and the Offer Memorandum, which has been lodged with ASX and is available on ASX's website: [www.asx.com.au](http://www.asx.com.au).

Shareholders and optionholders may view all of NuSep's ASX releases from the ASX website ([www.asx.com.au](http://www.asx.com.au)) (ASX code: NSP).

If you have any questions regarding the Rights Issue or require any further information, please contact NuSep on +61 2 9251 6012 or NuSep's share registry, Boardroom, on +61 2 9290 9600.

Yours sincerely,

Alison Coutts – Executive Chairman for NuSep Holdings Limited