

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

Name of entity

Mayne Pharma Group Limited (**Company**)

ABN

76 115 832 963

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

Fully paid ordinary shares in the Company (each a **New Share**).

- 2 Number of ⁺securities issued or to be issued (if known) or maximum number which may be issued

Entitlement Offer

Approximately 469,592,085 New Shares will be issued pursuant to the terms of the underwritten accelerated non renounceable entitlement offer (**Entitlement Offer**) as announced to ASX by the Company on 28 June 2016.

The final number of New Shares issued under the Entitlement Offer, and the split of those New Shares between the institutional and retail tranches of the Entitlement Offer, will be subject to the determination of the Company and holding reconciliation and rounding.

Placement

191,300,000 New Shares will be issued on 6 July 2016 under an underwritten placement (**Placement**) as announced to ASX by the Company on 28 June 2016. (The number of Placement shares has been calculated pursuant to the grant of a waiver of ASX Listing Rule 7.1 to allow the Placement to occur on an expanded share capital base which includes the aggregate number of ordinary shares that may be issued under the Entitlement Offer).

3	Principal terms of the ⁺ securities (eg, 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)	The New Shares are fully paid ordinary shares.
4	<p>Do the ⁺securities rank equally in all respects from the date of allotment 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 	Yes.
5	Issue price or consideration	<p>Entitlement Offer: \$1.28 per New Share (Entitlements not taken up in the Institutional Entitlement Offer will be offered for sale at the Placement price in a bookbuild)</p> <p>Placement: \$1.50 per New Share</p>
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>The gross proceeds of the Entitlement Offer and the Placement (together the Offer) will be used for:</p> <ul style="list-style-type: none"> • cash consideration for the acquisition of a portfolio of US generic products from Teva Pharmaceutical Industries Limited and Allergan plc for cash consideration of US\$652 million; • costs associated with the transfer of products to the Company's facilities as well as to new contract manufacturing organisations; • capital expenditure required to purchase additional equipment and support in-house manufacturing at the Company's commercial manufacturing facilities in Greenville, North Carolina and Salisbury, South Australia; • injection of working capital as no finished good inventory is acquired as part of the transaction; and • transaction costs.

⁺ See chapter 19 for defined terms.

6a	Is the entity an ⁺ eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i> , and comply with section 6i	No.
6b	The date the security holder resolution under rule 7.1A was passed	Not applicable.
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	Not applicable.
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	Not applicable.
6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable.
6f	Number of securities issued under an exception in rule 7.2	Not applicable.
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	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	<p>The proposed allotment date for the New Shares under the Institutional Entitlement Offer and Placement will be 7 July 2016.</p> <p>The proposed allotment date for the New Shares under the Retail Entitlement Offer will be 22 July 2016.</p>	
8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in section 2 if applicable)	Number	⁺ Class
		Approximately 1,470,938,431	Fully paid ordinary shares.
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in section 2 if applicable)	Number	⁺ Class
		7,500,000	Employee options pursuant to CEO Share Option Plan
		24,010,000	Employee options pursuant to Mayne Pharma Employee Share Option Plan.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable.	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Non-renounceable.
13	Ratio in which the ⁺ securities will be offered	1 New Share for each 1.725 existing shares held as at the Record Date.
14	⁺ Class of ⁺ securities to which the offer relates	Fully paid ordinary shares.
15	⁺ Record date to determine entitlements	7pm Melbourne time on 30 June 2016.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.

⁺ See chapter 19 for defined terms.

17	Policy for deciding entitlements in relation to fractions	Rounded down to the nearest whole number.
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	For the retail offer, all countries except for Australia and New Zealand. For the institutional offer, refer to the investor presentation.
19	Closing date for receipt of acceptances or renunciations	The closing date for acceptance of the New Shares issued under the Institutional Entitlement Offer will be 29 June 2016. The closing date for acceptance of the New Shares issued under the Retail Entitlement Offer will be 5pm Melbourne time, 15 July 2016.
20	Names of any underwriters	Credit Suisse (Australia) Limited and UBS AG, Australia Branch.
21	Amount of any underwriting fee or commission	A combined underwriting and management fee of 2.5% of the proceeds of the Entitlement Offer and Placement. An additional incentive fee of up to 0.5% of the Entitlement Offer and Placement proceeds may also be payable at the Company's full discretion.
22	Names of any brokers to the issue	Not applicable.
23	Fee or commission payable to the broker to the issue	Not applicable.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	A broker handling fee of 0.75% of the application amount (plus GST) of the shares (subject to a maximum handling fee of \$250) under the Entitlement Offer will be paid to stockbrokers who submit a valid claim for a broker handling fee on successful applications.
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	Not applicable.
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	No prospectus or Product Disclosure Statement will be produced. A Retail Offer Document and application and entitlement form in respect of the Retail Entitlement Offer will be mailed and emailed to eligible retail shareholders on 5 July 2016.

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable.
28	Date rights trading will begin (if applicable)	Not applicable.
29	Date rights trading will end (if applicable)	Not applicable.
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	Not applicable.
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable.
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	Not applicable.
33	⁺ Despatch date	<p>The despatch date for the New Shares issued under the Institutional Entitlement Offer and Placement will be on or around 11 July 2016.</p> <p>The despatch date for the New Shares issued under the Retail Entitlement Offer will be 26 July 2016.</p>

⁺ See chapter 19 for defined terms.

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

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)

38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the date of allotment 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 					
41	<p>Reason for request for quotation now</p> <p><small>Example: In the case of restricted securities, end of restriction period</small></p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>					
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> <tr> <td style="height: 80px;"></td> <td style="height: 80px;"></td> </tr> </table>	Number	+Class		
Number	+Class					

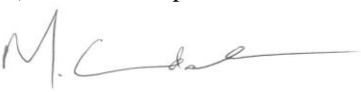
+ See chapter 19 for defined terms.

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 not available now, 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:


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(Company secretary)

Date: 28 June 2016

Print name:

Mark Cansdale

⁺ See chapter 19 for defined terms.