

XENITH IP GROUP LIMITED

ASX ANNOUNCEMENT

17 June 2016

Appendix 3B – Issue of Retention Rights

As disclosed in the Prospectus dated 28 October 2015, Xenith IP Group Limited (ASX code: XIP) confirms that it has issued 764,706 Retention Rights under its retention arrangements for key staff. Further detail about the issue of the Retention Rights is set out in the attached Appendix 3B.

The Company notes that the Appendix 3B has been lodged late due to an administrative oversight. The Company is aware of its obligations in relation to the Listing Rules, in particular Listing Rule 3.10.5 and has arrangements in place to ensure full compliance with its disclosure obligations under the Listing Rules.

For further information contact

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Company Secretary
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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

Xenith IP Group Limited

ABN

88 607 873 209

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 | Retention Rights (issued under the Xenith Performance Rights Plan and as disclosed in the Company's Prospectus dated 28 October 2015) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 764,706 Retention Rights |

+ See chapter 19 for defined terms.

<p>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)</p>	<p>The principal terms of the Retention Rights were set out in the Prospectus dated 28 October 2015.</p> <p>The Retention Rights awarded vest in 3 tranches. Vesting is not conditional on any performance conditions, only time and continued service.</p> <p>The 3 tranches will vest on an annual basis with reference to the listing date, being 20 November 2015, and:</p> <ul style="list-style-type: none"> • Tranche 1 vests on 20 November 2016; • Tranche 2 vests on 20 November 2017; and • Tranche 3 vests on 20 November 2018. <p>Vesting for each tranche is subject to the continued employment of the participant with Xenith IP Group at the time of vesting.</p> <p>All Retention Rights have a nil exercise price.</p> <p>Vested Retention Rights will be converted into Fully Paid Ordinary Shares in the capital of Xenith IP Group Limited in accordance with the terms of the grant.</p>
<p>4 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>After vesting the Retention Rights can be converted into Fully Paid Ordinary Shares in the capital of Xenith IP Group Limited in accordance with the terms of the grant. Fully Paid Ordinary Shares resulting from that conversion will rank equally with other Fully Paid Ordinary Shares then on issue.</p>

+ See chapter 19 for defined terms.

5	Issue price or consideration	Nil
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Grant of Retention Rights under the Xenith IP Group Ltd Performance Rights Plan
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	N/A
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.	N/A

+ See chapter 19 for defined terms.

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	N/A							
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	N/A							
7	<p>+Issue dates</p> <p>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.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	5 February 2016							
8	Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="774 862 1069 907">Number</th> <th data-bbox="1069 862 1361 907">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="774 907 1069 1131">32,816,368 (12,541,333 subject to voluntary escrow arrangements)</td> <td data-bbox="1069 907 1361 1131">Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	32,816,368 (12,541,333 subject to voluntary escrow arrangements)	Ordinary Shares			
Number	+Class								
32,816,368 (12,541,333 subject to voluntary escrow arrangements)	Ordinary Shares								
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="774 1164 1069 1209">Number</th> <th data-bbox="1069 1164 1361 1209">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="774 1209 1069 1388">45,680</td> <td data-bbox="1069 1209 1361 1388">Performance Rights issued as disclosed in the Prospectus dated 28 October 2015</td> </tr> <tr> <td data-bbox="774 1388 1069 1568">764,706</td> <td data-bbox="1069 1388 1361 1568">Retention Rights issued as disclosed in the Prospectus dated 28 October 2015</td> </tr> </tbody> </table>	Number	+Class	45,680	Performance Rights issued as disclosed in the Prospectus dated 28 October 2015	764,706	Retention Rights issued as disclosed in the Prospectus dated 28 October 2015	
Number	+Class								
45,680	Performance Rights issued as disclosed in the Prospectus dated 28 October 2015								
764,706	Retention Rights issued as disclosed in the Prospectus dated 28 October 2015								
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Fully Paid Ordinary Shares resulting from the conversion of Retention Rights will have the same dividend policy as the Fully Paid Ordinary Shares then on issue.							

+ See chapter 19 for defined terms.

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A

+ See chapter 19 for defined terms.

23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
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	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Issue date	N/A

+ 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

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	N/A				
39	+Class of +securities for which quotation is sought	N/A				
40	<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 	N/A				
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	N/A				
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1"> <thead> <tr> <th data-bbox="786 1541 1090 1585">Number</th> <th data-bbox="1090 1541 1385 1585">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="786 1585 1090 1805">N/A</td> <td data-bbox="1090 1585 1385 1805"></td> </tr> </tbody> </table>	Number	+Class	N/A	
Number	+Class					
N/A						

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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:



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Date: 17 June 2016

(~~Director~~/Company secretary)

Lesley Kennedy

Print name:

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+ See chapter 19 for defined terms.