

12 March 2009

The Manager  
Company Announcements Office  
Australian Securities Exchange Limited  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sir

**IBA Health Group Limited**  
**Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)**

This notice is given by IBA Health Group Limited (ACN 008 984 049) (*IBA*) under section 708AA(2)(f) of the *Corporations Act (Cth)* (the *Act*) as notionally modified by Australian Securities and Investments Commission Class Order 08/35 (*CO 08/35*).

IBA has announced on 12 March 2009 an accelerated non-renounceable entitlement offer (*Entitlement Offer*) of 2 fully paid IBA ordinary shares (*New Shares*) for every 7 IBA ordinary shares held as at 7:00 pm (AEDT) on 17 March 2009 by shareholders with a registered address in Australia or New Zealand and any other jurisdictions in which IBA has decided to make offers.

IBA advises that:

- (a) the New Shares will be offered for issue without disclosure under Part 6D.2 of the Act as notionally modified by CO 08/35;
- (b) the notice is being given under section 708AA(2)(f) of the Act as notionally modified by CO 08/35;
- (c) as at the date of this notice, IBA has complied with:
  - (i) the provisions of Chapter 2M of the Act as they apply to IBA; and
  - (ii) section 674 of the Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act as notionally modified by CO 08/35;
- (e) the issue of New Shares pursuant to the Entitlement Offer is not expected to have any material effect or consequence on the control of IBA.

Signed for IBA Health Group Limited by



HOWARD EDELMAN  
GENERAL COUNSEL AND COMPANY SECRETARY

# 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 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

IBA Health Group Limited

ABN

66 063 539 702

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).*

- |  |   |
|--|---|
| <p>1 +Class of +securities issued or to be issued</p>  | <p>Fully paid ordinary shares.<br/>Convertible notes</p>  |
| <p>2 Number of +securities issued or to be issued (if known) or maximum number which may be issued</p> | <p>Up to 224,884,576 fully paid ordinary shares pursuant to the Entitlement Offer.<br/>Up to 13,134,134 convertible notes pursuant to an entitlement offer to the convertible noteholder.</p> <p>The exact breakdown of fully paid ordinary shares to be issued under the Entitlement Offer as described in the documents lodged with the ASX on 12 March 2009 pursuant to the:</p> <ul style="list-style-type: none"> <li>• Institutional Entitlement Offer and Institutional Entitlement Bookbuild; and</li> <li>• Retail Entitlement Offer,</li> </ul> <p>is still to be finalised and is subject to the reconciliation of shareholder entitlements.</p> <p>The exact number of convertible notes to be issued to the convertible noteholder is still to be finalised and is subject to the final level of acceptance by the noteholder.</p> |

|  |   |        |        |
|--|---|--------|--------|
| <p>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)</p>  | <p>Fully paid ordinary shares</p> <p>Convertible notes convertible into fully paid ordinary shares on a one-for-one basis, nil conversion premium, convertible at any time, provided that conversion does not cause the Company to breach listing rule 7.1 or any person to breach section 606 of the Corporations Act. Convertible notes mature 5 years after issue.</p> |        |        |
| <p>4 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"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | <p>Yes. The fully paid ordinary shares issued under the Entitlement Offer will rank equally with the existing fully paid ordinary shares from the date of allotment.</p>  |        |        |
| <p>5 Issue price or consideration</p>  | <p>\$0.55 per fully paid ordinary share and convertible note.</p>   |        |        |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>  | <p>The net proceeds of the Entitlement Offer and the convertible note entitlement offer will be used to pay down debt.</p>  |        |        |
| <p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>  | <p>27 March 2009 under the Institutional Entitlement Offer and Institutional Entitlement Bookbuild.</p> <p>15 April 2009 under the Retail Entitlement Offer and convertible note entitlement offer.</p>   |        |        |
| <table border="1"> <tr> <td data-bbox="694 1803 997 1836">Number</td> <td data-bbox="997 1803 1450 1836">+Class</td> </tr> </table>  |   | Number | +Class |
| Number   | +Class  |        |        |

+ See chapter 19 for defined terms.

|   |   |   |                            |
|---|---|---|----------------------------|
| 8 | Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX (including the securities in clause 2 if applicable) | After the Entitlement Offer there will be up to 1,011,980,591 fully paid ordinary shares on issue (based on the number of fully paid ordinary shares on issue at the date of this Appendix 3B and the number of fully paid ordinary shares to be issued under the Entitlement Offer, subject to the effects of rounding). | Fully paid ordinary shares |
|---|---|---|----------------------------|

|           |   |            |   |
|-----------|---|------------|---|
| 9         | Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX (including the securities in clause 2 if applicable) | Number     | <sup>+</sup> Class  |
|           |   | 13,900,000 | Employee Incentive Plan (Options)   |
|           |   | 100,000    | ESOP  |
|           |   | 5,600,000  | Options   |
|           |   | 59,103,603 | Convertible Notes - (based on the number of convertible notes on issue at the date of this Appendix 3B and the maximum number of convertible notes to be issued under the convertible notes entitlement offer, subject to the effects of rounding). |
| 3,574,248 | Warrants  |            |   |

|    |  |                 |
|----|--|-----------------|
| 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

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|----|--|---|
| 11 | Is security holder approval required?                                    | No  |
| 12 | Is the issue renounceable or non-renounceable?                           | Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable.   |
| 13 | Ratio in which the <sup>+</sup> securities will be offered               | 2 fully paid ordinary shares/convertible notes for every 7 fully paid ordinary shares/convertible notes held as at the Record Date. i.e. 2 for 7. |
| 14 | <sup>+</sup> Class of <sup>+</sup> securities to which the offer relates | Fully paid ordinary shares.<br>Convertible Notes  |

|    |   |  |
|----|---|--|
| 15 | +Record date to determine entitlements  | 7:00pm (AEDT) on 17 March 2009   |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?  | No.  |
| 17 | Policy for deciding entitlements in relation to fractions   | Where fractions arise in the calculation of shareholders' entitlements under the Entitlement Offer or convertible notes entitlement offer, they will be rounded up to the next whole number of new shares..  |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents<br><br>Note: Security holders must be told how their entitlements are to be dealt with.<br><br>Cross reference: rule 7.7. | All countries except Australia and New Zealand.  |
| 19 | Closing date for receipt of acceptances or renunciations  | Institutional Entitlement Offer - 3.00pm (AEDT) on 12 March 2009 (Australia/Asia) and 9.00pm (AEDT) on 12 March 2009 (Europe).<br>Retail Entitlement Offer - 5.00pm on 3 April 2009.<br>Convertible notes entitlement offer - 5.00pm on 7 April 2009 |
| 20 | Names of any underwriters   | ABN AMRO Equity Capital Markets Australia Limited; and<br>UBS AG, Australia Branch.  |
| 21 | Amount of any underwriting fee or commission  | Up to \$4.0 million.   |
| 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 handling fee of an amount equal to 1% of the total amount payable by an investor in respect of a valid application - up to a maximum of \$200 per valid application.   |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting  | Not applicable.  |

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+ See chapter 19 for defined terms.

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|----|---|---|
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled  | No Prospectus. However, the Retail Entitlement Offer documents will be sent to Eligible Retail Shareholders on or before 19 March 2009. |
| 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 | 12 March 2009   |
| 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  | 16 April 2009   |

### 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 

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39 Class of +securities for which quotation is sought 

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40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- 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

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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|   | Number | +Class |
|---|--------|--------|
| 42 Number and +class of all +securities quoted on ASX (including the securities in clause 38) |        |        |



## 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:

 Date: 12 /3 /2009  
(General Counsel and Company Secretary)

Print name: Howard Edelman

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+ See chapter 19 for defined terms.