



9 November 2012

The Manager  
Company Announcements Platform  
ASX Limited

## **SBN ANNOUNCES UNDERWRITTEN RIGHTS ISSUE TO RAISE \$1.15 MILLION**

**Sun Biomedical Limited (ASX: SBN)** is pleased to announce a fully underwritten, non-renounceable Rights Issue which entitles Eligible Shareholders with a registered address in Australia and New Zealand to acquire 1 New Share in the Company for each 1 Share held at the issue price of \$0.007 (*Rights Issue*).

The Rights Issue will raise approximately \$1,158,990 before issue costs. The New Shares will rank equally with the Company's existing Shares on issue. The intended Closing Date for acceptance and payment (which may be subject to change) is 5.00pm AEDT on 7 December 2012.

The Rights Issue is fully underwritten by Cunningham Peterson Sharbanee Securities Pty Ltd (*CPS Securities*)

If an existing Shareholder does not take up its full entitlement, its interest in the Company will be diluted.

Funds raised are intended to be used as working capital and to identify and assess potential growth opportunities.

Full details of the terms and conditions of the Rights Issue will be contained in the Offer Document to be lodged with the ASX and dispatched to shareholders with a registered address in Australia and New Zealand.

We **attach** an Appendix 3B pertaining to the Rights Issue including key dates.

Sun Biomedical

Limited

ABN 18 001 285 230

Investor Communications

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ASX:SBN

[www.sunbiomed.com](http://www.sunbiomed.com)

**Board Restructure**

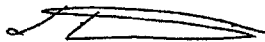
Following the Rights Issue, the Board believes that the Company will have a more appropriate capital structure to facilitate the potential acquisition of a new business. To assist in the introduction of new business opportunities, it is intended that two new Directors will be appointed to the Board. Mr Gary Stewart and Mr Peter Herd will retire from the Board while Mr Terry Cuthbertson and Mr Evan Cross will continue as non-executive directors. It is intended that one of the new Directors will take over the role of Chairman from Mr Cuthbertson.

**Issue of Options to Existing Directors**

Following the Rights Issue and subject to shareholder approval, the Company intends to issue approximately 1,000,000 options to acquire ordinary shares in the Company at \$0.007 exercisable before 31 December 2017 to each of Mr Stewart, Mr Herd and Mr Cuthbertson.

Further, the Company has also agreed, pursuant to a Mandate Letter agreement with CPS Securities, to issue 17,857,143 options to acquire ordinary shares in the Company at \$0.007 exercisable before 31 December 2017 to CPS Securities.

Yours faithfully



**Terry Cuthbertson**  
**Chairman**

## 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.

Name of entity

Sun Biomedical Limited

ABN

18 001 285 230

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. | <sup>+</sup> Class of <sup>+</sup> securities issued or to be issued                                                                                                                                                                                                             | Fully paid ordinary shares ( <i>Shares</i> )                                                                                                       |
| 2. | Number of <sup>+</sup> securities issued or to be issued (if known) or maximum number which may be issued                                                                                                                                                                        | 165,570,004 Shares pursuant to the Rights Issue (as described in documents lodged with the ASX in respect of the Rights Issue on 9 November 2012). |
| 3. | Principal terms of the <sup>+</sup> securities (eg, if options, exercise price and expiry date; if partly paid <sup>+</sup> securities, the amount outstanding and due dates for payment; if <sup>+</sup> convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares                                                                                                                         |

4. Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>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

Yes.

5. Issue price or consideration

\$0.007 per Share

6. Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)

To raise funds pursuant to a Rights Issue for working capital and to identify and assess potential acquisition opportunities.

7. Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates

17 December 2012

8. Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the securities in clause 2 if applicable)

Number	+Class
331,140,008	Ordinary

9. Number and <sup>+</sup>class of all <sup>+</sup>securities not quoted on ASX (including the securities in clause 2 if applicable)

Number	+Class
Nil	N/A

10. Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)
- The directors of the Company may from time to time determine to distribute the profits of the Company by way of dividend amongst the Shareholders in proportion to the amounts paid up on the Shares held by them.

## 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 <sup>+</sup>securities will be offered 1 Share for every 1 Share held as at the Record Date.
14. <sup>+</sup>Class of <sup>+</sup>securities to which the offer relates Fully paid ordinary shares.
15. <sup>+</sup>Record date to determine entitlements 7.00pm (AEDT) on 19 November 2012
16. Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? No
17. Policy for deciding entitlements in relation to fractions N/A
18. Names of countries in which the entity has <sup>+</sup>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.
- British Virgin Islands  
Canada  
Hong Kong  
Mauritius  
Netherlands  
Singapore  
South Africa  
Switzerland  
Ukraine  
United Arab Emirates  
United Kingdom  
United States of America
19. Closing date for receipt of acceptances or renunciations 7 December 2012
20. Names of any underwriters Cunningham Peterson Sharbanee Securities Pty Ltd

21.	Amount of any underwriting fee or commission	The Company is to pay the Underwriter a management fee of \$50,000 (ex GST), a commission of 6.0% (ex GST) of the amount raised under the Rights Issue, and, subject to the Listing Rules, intends to issue 17,857,143 options for ordinary shares exercisable before 31 December 2017 at \$0.007.
22.	Names of any brokers to the issue	None.
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 <sup>+</sup> security holders	N/A
25.	If the issue is contingent on <sup>+</sup> security holders' approval, the date of the meeting	N/A
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.  An Offer Document and Entitlement and Acceptance Form will be sent to shareholders on 23 November 2012.
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 <sup>+</sup> security holders sell their entitlements <i>in full</i> through a broker?	N/A
31.	How do <sup>+</sup> security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32.	How do <sup>+</sup> security holders dispose of their entitlements (except by sale through a broker)?	N/A

33. <sup>+</sup>Despatch date

17 December 2012

### 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 <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
36.  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>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 <sup>+</sup>securities

#### Entities that have ticked box 34(b)

38. Number of securities for which <sup>+</sup>quotation is sought

39. Class of <sup>+</sup>securities for which quotation is sought

40. Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>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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42. Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the securities in clause 38)

Number	+Class

### Quotation agreement

1. <sup>+</sup>Quotation of our additional <sup>+</sup>securities is in ASX's absolute discretion. ASX may quote the <sup>+</sup>securities on any conditions it decides.
2. We warrant the following to ASX.
  - The issue of the <sup>+</sup>securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those <sup>+</sup>securities should be not be granted <sup>+</sup>quotation.
  - An offer of the <sup>+</sup>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 <sup>+</sup>securities to be quoted and that no-one has any right to return any <sup>+</sup>securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the <sup>+</sup>securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the <sup>+</sup>securities to be quoted, it has been provided at the time that we request that the <sup>+</sup>securities be quoted.



- If we are a trust, we warrant that no person has the right to return the <sup>+</sup>securities to be quoted under section 1019B of the Corporations Act at the time that we request that the <sup>+</sup>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 <sup>+</sup>quotation of the <sup>+</sup>securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Date: 9 November 2012

Print name: Alfonso Grillo