



12 November 2012

Dear Shareholder

**Non-Renounceable Rights Issue – Information for Shareholders**

On 9 November 2012, Sun Biomedical Limited (*the Company*) announced to ASX that it was to undertake a non-renounceable Rights Issue of New Ordinary Shares to Eligible Shareholders.

**Non-Renounceable Rights Issue**

It is proposed that the Company issue approximately 165,570,004 New Ordinary Shares at a price of \$0.007 per New Ordinary Share on the basis to acquire one New Ordinary Share for every one Share held at the Record Date of 19 November 2012. This Offer is fully underwritten by CPS Securities<sup>1</sup> (*the Underwriter*). The funds raised will be used as working capital and to identify and assess potential growth opportunities.

**Applications**

The Entitlement and Acceptance Form will be dispatched together with the Offer Document. Eligible Shareholders must complete the Entitlement and Acceptance Form in order to take up their Entitlements. Entitlement and Acceptance Forms must be properly completed and received by the Company's Share Registry no later than 5.00pm (AEDT) on 7 December 2012 in order for Applicants to be issued New Ordinary Shares.

**Quotation**

New Ordinary Shares issued under the Offer Document will rank equally with the Company's existing Shares. The Company has applied to ASX for quotation of the New Ordinary Shares on the Official List of the ASX. If approval is not granted by ASX within 3 months after the date of the Offer Document, the Company will not issue any New Ordinary Shares and will repay all Application monies without interest.

**Enquiries**

If you have any questions regarding this non-renounceable Rights Issue, please telephone the Company's Share Registry, Computershare Investor Services Pty Limited, on 1 300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

The Directors recommend this non-renounceable Rights Issue to you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Terry Cuthbertson', written over a horizontal line.

Terry Cuthbertson  
Chairman

<sup>1</sup> Cunningham Peterson Sharbanee Securities Pty Ltd

### Sun Biomedical Limited Non-Renounceable Rights Issue - Information sheet

The following information is provided to Shareholders in accordance with the ASX Listing Rules. Full details of the Offer are contained in the Offer Document which will be sent to Eligible Shareholders on or about 23 November 2012.

Is security holder approval required?	No.
Is the issue renounceable or non-renounceable?	Non-Renounceable.
Ratio in which the +securities will be offered	1 New Ordinary Share for every 1 Share held at 7.00pm AEDT time on the Record Date.
+Class of +securities issued or to be issued	Ordinary Shares.
Number of +securities issued or to be issued (if known) or maximum number which may be issued	165,570,004 Ordinary Shares.
Do the +securities rank equally in all respects from the date of allotment with an existing class of securities	Yes.
+Record date to determine entitlements	7.00pm AEDT time on 19 November 2012.
Policy for deciding entitlements in relation to fractions	N/A
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.	British Virgin Islands Canada Hong Kong Mauritius Netherlands Singapore South Africa Switzerland Ukraine United Arab Emirates United Kingdom United States of America
Closing date for receipt of acceptances or renunciations	5.00pm AEDT time on 7 December 2012
Name of any underwriters	Cunningham Peterson Sharbanee Securities Pty Ltd
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.
Names of any brokers to the issue	Not applicable.
Fee or commission payable to the broker to the issue	Not applicable.
Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable.
Date entitlement and acceptance form and Offer Document will be sent to persons entitled	23 November 2012
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
Despatch date	17 December 2012