



26 February 2013

Dear Option holder

Advanced Surgical Design & Manufacture Limited – Non-Renounceable Rights Issue

Advanced Surgical Design & Manufacture Limited (ASDM) on 22 February 2013 announced a non-renounceable rights issue of up to approximately 13,818,782 new fully paid ordinary shares (Rights Issue) under which its eligible shareholders will be offered 1 fully paid ordinary share in ASDM for every 3 fully paid ordinary shares held on the record date, at an issue price of \$0.11 per share.

This Rights Issue offer will be made to those shareholders of ASDM with registered addresses in Australia and New Zealand. The Rights Issue is not underwritten.

The Rights Issue (if fully subscribed) will raise up to approximately \$1,520,000 before costs. ASDM intends to use the proceeds from the Rights Issue to provide additional working capital and for sales channel development.

The record date for determining entitlements to the rights issue is 5 March 2013.

Under the terms and conditions of the options that you currently hold, there is no entitlement to participate in the Rights Issue. If you wish to participate in the Rights Issue you must first exercise your options by 7.00 pm (Sydney time) on 5 March 2013 so that ASDM can allot and issue your shares in time for you to participate in the Rights Issue.

It is not compulsory to exercise your options. However, if you wish to do so, please complete all of the steps required by the terms and conditions of the options, including payment of the relevant exercise price. Failure to exercise your options by this deadline will mean that you are not eligible to participate in the Rights Issue for those options or the shares to be issued upon exercise of those options.

Please contact me on (02) 9439 4448 if you have any questions about your options.

For your information, further details on the Rights Issue can be accessed on our website at www.ASDM.com.au or the ASX website at www.asx.com.au under ASX Code "AMT".

Yours faithfully

Richard Ulrick

Company Secretary