

Company Announcements Platform
Australian Securities Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

ASX RELEASE

17 April 2014

Issue of Loyalty Options to Entitlements Offer Participants

Advanced Braking Technology Limited (ASX:ABV) (**ABT** or **Company**) is pleased to announce that, as disclosed in the Information Booklet for the pro-rata non-renounceable entitlements offer released to ASX on 8 April 2014 (**Entitlements Offer**), the Company is undertaking a loyalty-based issue of options comprising of one (1) option exercisable at 1.2 cents each and expiring on 15 August 2016 (**Loyalty Options**) for every two (2) shares offered to and acquired by eligible shareholders as part of the Entitlements Offer (**Loyalty Issue** or **Offer**). The Loyalty Options will be offered for nil consideration and accordingly, no funds will be raised from the Offer. The Company lodged a prospectus for the Offer with ASIC and ASX on 17 April 2014 (**Prospectus**).

Following completion of the Offer, the Company will have issued approximately 184,511,232 Loyalty Options on issue. The Company will make an application to ASX for the Loyalty Options to be admitted to official quotation. The Company does not currently have any other class of options on issue.

The Loyalty Options will only be made available to those shareholders with registered addresses in Australia and New Zealand.

An Appendix 3B for the issue of the Loyalty Options is **attached**.

If you have any queries concerning the Loyalty Issue, please contact your financial adviser or Clare Madelin, Company Secretary on +61 (0) 8 9273 4800.

For and on behalf of Advanced Braking Technology Ltd.



Bruce Grey
Chairman

- ENDS -

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

Name of entity

Advanced Braking Technology Limited

ABN

66 099 107 623

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 | Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 184,511,232 Options |
| 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) | Options exercisable at 1.2 cents each on or before 15 August 2016 |

+ See chapter 19 for defined terms.

4	<p>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"> • 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>No. Shares issued upon the exercise of the Options will rank equally with existing quoted securities.</p>
5	<p>Issue price or consideration</p>	<p>Nil</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Loyalty-based issue of new Options on the basis of one (1) Option for every two (2) shares offered to and acquired by eligible shareholders who participate in the pro-rata non-renounceable entitlements offer. The purpose of the loyalty issue is to reward shareholders for continuing to support the company and to provide the company with a potential source of additional capital if the loyalty Options are exercised.</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
6b	<p>The date the security holder resolution under rule 7.1A was passed</p>	<p>n/a</p>
6c	<p>Number of +securities issued without security holder approval under rule 7.1</p>	<p>n/a</p>

+ See chapter 19 for defined terms.

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						
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	Dates of entering +securities into uncertificated holdings or despatch of certificates	On or about 30 May 2014						
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>1,476,089,852</td> <td>Fully Paid Ordinary Shares.</td> </tr> <tr> <td>184,511,232</td> <td>Loyalty Options exercisable at 1.2 cents each on or before 15 August 2016 on the assumption ASX approves quotation.</td> </tr> </tbody> </table>	Number	+Class	1,476,089,852	Fully Paid Ordinary Shares.	184,511,232	Loyalty Options exercisable at 1.2 cents each on or before 15 August 2016 on the assumption ASX approves quotation.
Number	+Class							
1,476,089,852	Fully Paid Ordinary Shares.							
184,511,232	Loyalty Options exercisable at 1.2 cents each on or before 15 August 2016 on the assumption ASX approves quotation.							

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	
	17,950	Unlisted convertible notes with a value of \$100 per note, convertible into shares at \$0.022 per share, convertible any time prior to the maturity date of 15 August 2016.
	5,000	Convertible notes with a face value of \$100 per note maturing on 19 November 2016.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	n/a
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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 +securities will be offered	On the basis of one (1) Option for every two (2) shares offered to and acquired by eligible shareholders who participate in the pro-rata non-renounceable entitlements offer announced by the Company on 8 April 2014
14	+Class of +securities to which the offer relates	Options
15	+Record date to determine entitlements	26 May 2014
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the nearest whole number

+ See chapter 19 for defined terms.

18	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.	The Company will not make the offer of the loyalty Options to those shareholders with registered addresses outside of Australia or New Zealand.
19	Closing date for receipt of acceptances or renunciations	n/a
20	Names of any underwriters	The offer is not underwritten.
21	Amount of any underwriting fee or commission	Nil
22	Names of any brokers to the issue	Nil
23	Fee or commission payable to the broker to the issue	Nil
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Nil
25	If the issue is contingent on +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	Prospectus to be sent to eligible Shareholders on or about 30 May 2014
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	+Despatch date	On or about 30 May 2014

+ 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

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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)		

+ See chapter 19 for defined terms.

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:

(~~Director~~/Company secretary)

Date: 17/4/14

Print name: Clare Madelin

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	1,105,504,889
Add the following: <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	nil nil nil
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	nil
“A”	1,105,504,889

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	165,825,733
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	1,562,500 104,318,182 via convertible note issue
“C”	105,880,682
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	165,825,733
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	105,880,682
Total [“A” x 0.15] – “C”	59,945,051

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.10] – “E”	

+ See chapter 19 for defined terms.