

PETRATHERM LTD

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17 December 2015

Companies Announcement Office
Australian Securities Exchange Limited
PO Box H224
Australia Square NSW 1215

Petratherm Limited **Cleansing Notice – Non-renounceable Entitlement Offer**

This notice is given by Petratherm Limited (ASX code: PTR) (**Petratherm**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**). Petratherm confirms that the non-renounceable pro rata entitlement offer announced on 17 December 2015 (**Entitlement Offer**), is being made without a disclosure document under section 708AA of the Act, as modified by Australian Securities and Investments Commission Class Order 08/5 (**CO 08/35**).

In accordance with section 708AA(2)(f) of the Act, Petratherm confirms that:

1. Petratherm will offer new shares pursuant to the Entitlement Offer for issue to investors without disclosure under Part 6D.2 of the Act.
2. Petratherm is giving this notice under section 708AA(2)(f) of the Act, as modified by CO 08/35.
3. As at the date of this notice, Petratherm has complied with:
 - (a) the provisions of Chapter 2M of the Act as they apply to Petratherm; and
 - (b) section 674 of the Act.
4. As at the date of this notice, Petratherm confirms that it has no excluded information (as that term is defined in section 708AA(8) and 708AA(9) of the Act) which it is required to disclose under section 708AA(7)(d) of the Act.
5. The potential effect that the issue of the new shares offered under the Entitlement Offer (**New Shares**) will have on the control of Petratherm, and the consequences of that effect, will depend on a number of factors and in particular the demand for New Shares by shareholders:
 - (a) if all Shareholders are Eligible Shareholders and take up their Entitlements under the Offer then the Entitlement Offer will have no effect on the control of the Company;

- (b) if not all Shareholders are Eligible Shareholders or do not take up their full Entitlements, the Shortfall will be allocated:
 - (i) to Eligible Shareholders who subscribe for Additional New Shares; and
 - (ii) by the Underwriter in consultation with the Company, to the Underwriter or any sub-underwriter to the Entitlement Offer (in accordance with Listing Rule 7.2 (exception 2)) or any other parties selected by them.

The effect the placement of the Shortfall may have on control will depend entirely on any Additional Subscriptions by Shareholders and the allocations made by the Underwriter or any sub-underwriter;

- (c) if some Shareholders do not take up their Entitlements (whether because they are Ineligible Shareholders or otherwise), their equity in the Company will be diluted. The equity of Shareholders who only take up part of their Entitlement will also be diluted, but to a lesser extent;
- (d) the Options the Company currently has on issue are not expected to be exercised prior to the Record Date as the exercise price for these Options exceeds the offer price and the share price on 16 December 2015 of \$0.005 per Share at close of trade, therefore the Options are expected to have no effect on the Offer or the control of the Company;
- (e) given the Entitlement Offer is fully underwritten and that the Underwriter will enter into sub-underwriting arrangements with various parties, based on the structure of the Entitlement Offer and the current level of holdings of substantial shareholders, the Entitlement Offer is not expected to have a material effect or consequence on the control of the Company.

Yours sincerely

A handwritten signature in cursive script, appearing to read "Donald Stephens".

Donald Stephens
Company Secretary