

ASX RELEASE

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Update Regarding Voluntary Suspension

eSense-Lab Ltd (ASX:ESE) (Company) provides the following update with regards to the continuing voluntary suspension of the Company.

As a result of changes to the composition of the board of directors of the Company since March 2018, the Company has become aware, following ASX queries, that it has not been in compliance with:

- (a) Article 34 of its Articles of Association (requiring the Company to have a minimum of four directors); and
- (b) the provisions of Israel Companies Law (**Companies Law**) that requires the Company to have at least two 'External Directors'. The Company currently does not have any External Directors that comply with the requirements of the Companies Law.

Article 34 of Articles of Association

In relation to Article 34 of the Articles of Association, the Company is pleased to confirm that the Company's joint company secretary, Mr Winton Willesee, has agreed to be appointed as an interim non-executive director of the Company, effective immediately.

Mr Willesee is an experienced corporate professional with a broad range of skills and experience relevant to ASX listed companies having held directorships and chairmanships with a number of ASX-listed companies over many years.

Mr Willesee holds formal qualifications in Commerce, Economics and Finance, Accounting, Applied Finance and Investment, Applied Corporate Governance and Education. He is a Fellow of the Financial Services Institute of Australasia, the Governance Institute of Australia and the Institute of Chartered Secretaries and Administrators, Graduate of the Australian Institute of Company Directors and a Member of CPA Australia.

External Directors

In relation to the Company not having the required number of 'External Directors', the Companies Law requires the Company call a shareholders' meeting as soon as possible to appoint replacement External Directors.

In this regard, the Company confirms that it intends to call a shareholders' meeting as soon as possible to consider the appointment of two new External Directors. A number of candidates to fulfil these rolls are currently under consideration by the Company.

The Company is in its final stages of completing a notice of meeting document and anticipates a meeting to be called in early September.

Suspension

The ASX has advised that it will require the Company's securities to remain in suspension until the appointment of two External Directors by general meeting, and pending the response by the Company to queries from ASX with regards to the above matters.

The Company therefore anticipates that its securities will be reinstated to trading on the date that Shareholders approve the appointment of two External Directors, which the Company expects will occur in early September. Shareholders will receive a notice of meeting in respect of the above matters as soon as possible.

The Company is advancing its commercialisation efforts as previously announced and accelerating the current business plan. There are several new initiatives and opportunities for eSense-Lab to enter into using its Terpenes technology and the Company will be advancing these and updating the market in due course. Additionally, the Company intends to provide an announcement regarding the research agreement with the Israeli Ministry of Health in the coming weeks prior to the shareholders' meeting.

Itzik Mizrahi, CEO of eSense said "Whilst this is an unfortunate event, the company is addressing it extremely seriously and as quickly as possible and expects to be trading within the timeframe mentioned. The business operations during this period of non-trading will not be effected in any way and the board and management will continue to deliver to shareholders."

This announcement has been approved by the Board of Directors of the Company.

Ends

For further information, please contact:

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About eSense-Lab

eSense-Lab Ltd (ASX:ESE) is a life sciences company creating virtual plant-based products for medicinal and recreational consumption. Headquartered in Israel, eSense-Lab combines genetics, mRNA expression, phytochemical characterisation and unique formulations to generate comprehensive models of rare or high value plants. With multi-disciplinary research and development expertise, eSense has game-changing techniques and unique reverse-engineering capabilities, placing it at forefront of the growing international terpene market. eSense has created virtual cannabis, with all the characteristics of the real plant, without the psychoactive and heavily regulated cannabinoid compound, for mass consumer consumption.

To learn more, please visit www.esense-lab.com.

