

ASX RELEASE – CRE8TEK

TERMINATION OF CONDITIONAL COMMITMENT FOR ENTITLEMENT OFFER SHORTFALL

PERTH, 13 June 2017, Cre8tek Limited (“Cre8tek” or “the Company”) (ASX: CR8) refers to the previously announced \$2 million entitlement offer (**Entitlement Offer**).

As disclosed in the Company’s previous announcements, Ironside Capital (**Ironside**) entered into a conditional agreement with Cre8tek to take up \$2 million of shortfall from the Entitlement Offer (**Ironside Agreement**). The Ironside Agreement was subject to a number of conditions including Ironside receiving binding commitments for that amount from Otsana Capital and an institutional investor (collectively “the Parties”), which were received.

The Company has been notified by Ironside that the Parties will not complete and the Parties have withdrawn their binding commitments noting a change in market conditions. This withdrawal has given rise to a termination right of the Ironside Agreement by Ironside (such termination right as disclosed in the Company’s announcement dated 27 March 2017 and in Section 3.2 of the Prospectus).

Following discussions between the Company and Ironside, and taking into account all circumstances, the Company has accepted the termination of the Ironside Agreement (as opposed to Ironside enforcing payment of the binding commitments by the Parties). The Company confirms that the Ironside Agreement has been validly terminated by Ironside in accordance with the terms disclosed in the Prospectus. Further, neither Ironside nor the Parties will be entitled to any fees or options as a result of the termination.

The Company had a reasonable expectation that the shortfall from the Entitlement Offer would complete under the Ironside Agreement at the time of the closing of the Prospectus and issue of the Entitlement Offer securities. However, as a result of the termination of the Ironside Agreement, the Company is currently considering options including offering a selective share buy-back to those shareholders who participated. The Company further confirms that the Shortfall Offer under the Prospectus is now closed and will not accept any applications.

Given the recent successful placement of \$3.5m the Company is well-funded for CY17 and does not consider the cancellation of the Agreement to have a material impact on the Company’s current operations.

The Company has further recently been approached by a number of broking houses and corporate advisors. The Company has entered into formal negotiations with Ironside with a view to entering into a binding mandate arrangement shortly.

An Appendix 3B with the current capital structure is follows this announcement.

[ENDS]

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