



ASX Announcement

For immediate release

Company update

Melbourne, Australia, Wednesday 27 January 2016

Key points:

1. \$490,000 raised via a private placement of shares at \$0.04
2. Share Purchase Plan (SPP) to be offered to all shareholders
3. TAL Health Pty Ltd acquisition to proceed
4. Avexa to change name to TAL (subject to shareholder approval)
5. Drug development projects and resource investment under review.

1. Private Placement

Avexa Limited (Avexa, ASX: AVX) today advised that it has raised \$490,000 from professional and sophisticated investors who have subscribed for 12,250,000 million shares at \$0.04 per share. The proceeds will be applied towards the product development of TAL, associated Torus Games enhancements, clinical trials and workshops and initial rollout in targeted centres of TAL as described to shareholders at the 2015 AGM.

Executive Chairman, Iain Kirkwood said *"in the recent turbulent and difficult equity capital markets, the directors are very pleased that the placement was well supported and to have been able to secure valuable funds for the TAL business. These funds will be supplemented by an invitation to all shareholders to participate in the SPP also announced today"*.

2. Share Purchase Plan (SPP)

The directors are pleased to announce today that Avexa will offer eligible shareholders the opportunity to participate in a Share Purchase Plan (SPP). The SPP will entitle all eligible Avexa shareholders on the share register as at 7.00pm (Sydney time) on the record date of Tuesday, 26 January 2016, to acquire up to \$15,000 of fully paid ordinary shares in Avexa at a discount to the market price and without incurring brokerage or other charges. The SPP will provide the opportunity for Avexa shareholders to support the TAL commercialisation project directly and augment the funds raised in the Placement (offered to professional and sophisticated investors as advised above).

Further details of the SPP including timetable will be announced shortly.



3. TALI Health Pty Ltd (TALI) acquisition

Following the approvals obtained at the AGM held on 26 November 2015 and closure of the private placement above, Avexa intends to waive the remaining conditions precedent with respect to the acquisition of TALI Health Pty Ltd and complete the acquisition.

4. Name change to TALI Healthcare Limited

Consistent with the company's new business undertaking and a corporate strategy to focus on healthcare/medical technologies, the directors are recommending that the company's name be changed to TALI Healthcare Limited. In accordance with Section 157(1)(a) of the Corporation Act and for all other purposes, this proposal will be put to shareholders for approval no later than the 2016 AGM.

Iain Kirkwood, Executive Chairman said “ *it makes sense to make this name change given the directors' decision to focus the company on the new direction in addressing developmental delay, most particularly the TALI technology which we will seek to position as the global leader in the diagnosis and treatment of children with intellectual disabilities*”.

5. Drug development projects and resource investment under review

The directors have resolved to review the company's drug development projects and the investment in the USA coal venture and have suspended all associated expenditures. As foreshadowed to shareholders at last year's AGM, ATC's Early Access Programme has not attracted any orders despite being available since January 2015 and extensive work by our partner LINK with HIV activist groups internationally.

Regarding the coal investment, the directors have noted that oil prices continue to fall to levels completely unforeseen even a few months ago. The oil price flows through to natural gas prices in the USA that are now at record lows and which compete directly with large industrial consumers. In such unprecedented circumstances, it has been extremely difficult to attract a sufficient volume of orders to make the North Pratt coal mine viable.

Faced with such circumstances the directors have unanimously decided to concentrate the company's strategy on TALI's breakthrough technology in diagnosing intellectual disabilities.

END

For more information:

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