

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

1300SMILES LIMITED

ABN

91 094 508 166

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 | Ordinary |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 187,942 |
| 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) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

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<p>4 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>Shares escrowed from disposal or being the subject of any security interest (other than a lien):</p> <p>[i] as to 20,000 shares: 8 March 2011</p> <p>[ii] as to 5,000 shares: 1 November 2011</p> <p>[iii] as to 20,000 shares: 8 March 2012</p> <p>[iv] as to 5,000 shares: 1 November 2012</p> <p>[v] as to 20,000 shares: 8 March 2013</p> <p>[vi] as to 10,667 shares: 30 March 2013</p> <p>[vii] as to 6,000 shares: 30 September 2013</p> <p>[viii] as to 20,000 shares: 8 March 2014</p> <p>[ix] as to 16,667 shares: 31 March 2014</p> <p>[x] as to 16,666 shares: 30 September 2014</p> <p>[xi] as to 20,000 shares: 8 March 2015</p>
<p>5 Issue price or consideration</p>	<p>50,000 @ 2.50</p> <p>100,000 @ 2.70</p> <p>27,942 @ 2.90</p> <p>10,000 @ 3.23</p>

⁺ See chapter 19 for defined terms.

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>[a] On 30 June 2008 1300SMILES Ltd acquired dental practices located in Bundaberg. As disclosed at the time of acquisition the purchase consideration was contingent in part on future revenue and earnings targets (“earn out”).</p> <p>1300SMILES advises that the earn out payment will be paid to the vendors no later than 1 October 2010 under the Bundaberg acquisition agreement.</p> <p>The consideration comprises:</p> <p>[1] 27,942 ONT shares, issued at \$2.90, with no shares held in escrow; and</p> <p>[2] 50,000 ONT shares, issued at \$2.50, with those shares to be held in voluntary escrow for 3 years, but with one-third of those shares being released from escrow annually; and</p> <p>[3] cash of \$125,000.</p> <p>The consideration has been recorded against goodwill associated with this acquisition.</p> <p>[b] The issue of 110,000 securities is designed to provide incentives to key senior management staff to drive performance of the organisation.</p>				
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	1 October 2010				
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 2px;">Number</th> <th style="text-align: left; padding: 2px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">21,307,550</td> <td style="padding: 2px;">Ordinary</td> </tr> </tbody> </table>	Number	+Class	21,307,550	Ordinary
Number	+Class					
21,307,550	Ordinary					

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Nil
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Allotted shares will participate equally with other shareholders for dividends.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	

+ See chapter 19 for defined terms.

19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
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	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements	

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through a broker and accept for
the balance?

- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Despatch date

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

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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.

