

23 May 2012

The Manager
Company Announcements Office
ASX Limited

Notification under section 708AA(2)(f) of the Corporations Act 2001

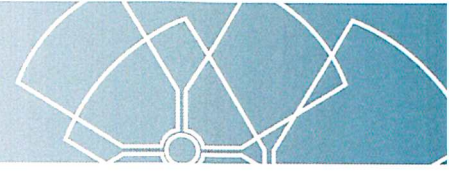
Matrix Composites & Engineering Ltd ABN 54 009 435 250 ("**Matrix**") has today announced an accelerated non-renounceable pro rata entitlement offer of 1 new fully paid ordinary share in Matrix ("**New Shares**") for every 15 Matrix shares held at 7.00pm (AEST) on Monday, 28 May 2012 by shareholders with a registered address in Australia and New Zealand and any other jurisdiction Matrix has decided to make offers ("**Entitlement Offer**").

At the same time, Matrix announced a proposed placement of 12,333,041 ordinary shares to selected institutional shareholders ("**Placement**").

Matrix gives notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth) ("**Corporations Act**") as notionally modified by the Australian Securities and Investments Commission Class Orders 08/35 and 07/571 ("**Class Orders**") that:

1. the New Shares will be offered without disclosure to investors under Part 6D.2 of the Corporations Act as notionally modified by the Class Orders;
2. as at the date of this notice, Matrix has complied with:
 - a. the provisions of Chapter 2M of the Corporations Act as they apply to Matrix; and
 - b. section 674 of the Corporations Act;





3. as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act as notionally modified by the Class Orders; and
4. the issue of New Shares pursuant to the Entitlement Offer is not expected to have any material effect or consequence on the control of Matrix. However, to the extent that any shareholder fails to take up their entitlement to New Shares under the Entitlement Offer, that shareholder's percentage holding in Matrix will be diluted by those other shareholders who take up some or all of their entitlement. Shareholders generally will also have their percentage holdings diluted by the issue of shares in the Placement.

While not affecting the statement in 4 above, and as disclosed to ASX on 12 May 2011, Maxwell Graham Begley and his associates (the "**Max Begley Group**") hold approximately 34.1% of Matrix's existing shares. The Max Begley Group will remain as Matrix's largest shareholder following the Entitlement Offer, accounting for no less than approximately 27.8%, and no more than approximately 29.6%, of Matrix's shares if the full number of shares offered under the Entitlement Offer and Placement are issued.

Yours sincerely



Peter Tazewell

Company Secretary

Matrix Composites & Engineering Ltd

