11 September 2013

Actinogen Limited (ASX: ACW) ("the Company")

Recapitalisation

Actinogen secures further funding as part of a recapitalisation proposal

Background

Recently, the Company has focused its resources on its growth hormone project. Actinogen will consider field trials for the project and it hopes to produce a product, which farmers and other plant producers can use on food crops and other plantations.

In addition, the Company has other projects, which have shown encouraging results and will be furthered evaluated for their development potential once the Company has secured further funding. Please see the recently released market update dated 29 August 2013 for all recent information on the Company's projects.

Recapitalisation proposal

The Board has accepted an offer from Otsana Capital to recapitalise the Company that will result in all the outstanding debts of the Company being repaid and sufficient cash being injected into the Company to support its near-term business objectives.

The implementation of the recapitalisation will be subject to receipt of all necessary shareholder and regulatory approvals.

The proposal from Otsana Capital can be summarised as follows:

1) The Company will undertake the following capital raisings:

   o A placement of up to 300 million fully paid, ordinary shares in the Company ("Shares") at $0.005 per Share to raise up to $1,500,000, together with 100 million unlisted options to acquire Shares, exercisable at $0.005 each on or before the date 4 years from their date of issue) (together, the "Capital Raising").

   o In advance of the proposed shareholders' meeting to approve the Capital Raising and within 14 days of this announcement, Otsana will make available an unsecured loan facility to the Company of up to $100,000. Interest will be charged on this loan at an amount of

15% payable in quarterly arrears. The repayment date will be the earlier of 3 months from the date of advance of the loan and the day after the shareholders meeting to approve the Capital Raising. Otsana will agree that the loan shall be converted into shares under the Capital Raising, subject to shareholder approval being obtained.

2) New directors nominated by Otsana Capital will be appointed to the Board upon the successful completion of the Capital Raising. Two new directors nominated by Otsana Capital will be appointed from the date of the advance of the loan to the Company and one of the existing directors will remain on the Board.

3) 10 day due diligence period to undertake legal and financial due diligence on the Company.

The board of directors of the Company supports the proposal and the directors intend to unanimously recommend the proposal to shareholders and vote their own shares in favour of the necessary resolutions to approve the proposal at a meeting of shareholders.

The Board believes that Otsana Capital will assist the Company in expanding the Company's existing core business, as well as identifying and evaluating other potential opportunities that could create additional shareholder value.

The Board is pleased that Otsana and its group of investors will inject new life into the Company. As indicated above, the recapitalisation is subject to shareholder approval. A notice of meeting containing full details of the proposal and all necessary shareholder resolutions will be mailed to shareholders in due course. The Company expects the shareholder meeting to take place on or around 15 November 2013.

David Zohar
Director
Actinogen Limited

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