

Avexa Limited ABN 53 108 150 750 Suite 8, Level 1 61-63 Camberwell Road Hawthorn East Victoria Australia 3123



20 November 2013

Australian Securities Exchange Market Announcements Platform Level 14, Exchange Centre 20 Bridge Centre SYDNEY NSW 2000

Dear Sir

CLEANSING STATEMENT ISSUED IN ACCORDANCE WITH ASIC CLASS ORDER 09/425

On 14 November 2013 the directors of Avexa Limited ACN 108 150 750 (**Avexa** or **Company**) announced a capital management initiative involving a sale of unmarketable parcels facility together with a share purchase plan (**SPP**) offering eligible holders of fully paid ordinary shares recorded on its share register at 7.00 pm (AEDT) on 13 November 2013 the opportunity to purchase new fully paid ordinary shares (**New Shares**) in the Company.

The Company gives notice that within 24 hours it will make offers to issue New Shares under the SPP without disclosure to investors under Part 6D.2 of the Corporations Act 2001 (Act).

This notice is being given under ASIC Class Order 09/425 - Share and interest purchase plans.

At the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company and section 674 of the Act.

The Company confirms there is no information as at the date of this notice:

- a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- b) that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of Avexa; or
 - (ii) the rights and liabilities attaching to Avexa's fully paid ordinary shares.



Avexa Limited ABN 53 108 150 750 Suite 8, Level 1 61-63 Camberwell Road Hawthorn East Victoria Australia 3123 **Telephone** 61 3 8888 1040 **Facsimile** 61 3 8888 1049

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Website www.avexa.com.au

Copies of the documents in connection with the SPP that are to be sent to shareholders of the Company within the next 24 hours are attached.

Yours faithfully

Lee Mitchell Company Secretary AVEXA LIMITED



Avexa Limited ABN 53 108 150 750 Suite 8, Level 1, 61-63 Camberwell Road Hawthorn East, Victoria 3123 Australia T +61 3 8888 1040 F +61 3 8888 1049 www.avexa.com.au

Dear Shareholder

Opportunity to participate in the Avexa Limited – Share Purchase Plan

On behalf of the Directors of Avexa Limited (Avexa), I am pleased to provide you with the opportunity to participate in Avexa's Share Purchase Plan (SPP), allowing you to purchase up to A\$15,000 of Avexa shares at a price of \$0.013 per share and free of brokerage and other transaction costs.

Participation in the SPP is entirely voluntary and is open to all shareholders with Australian or New Zealand addresses as at 7.00pm on 13 November 2013. Eligible Avexa shareholders are able to invest A\$1,000, A\$5,000 or A\$15,000 in additional Avexa shares without payment of brokerage fees or other transaction costs.

The SPP offer price of 1.3 cents per share represents a 9 per cent discount from the ASX closing price for AVX shares over the five days before the SPP was announced. During the last 30 days AVX shares have traded at a high of 1.5 cents and a low of 1.4 cents.

Apart from providing Avexa with valuable additional working capital, the SPP is designed to provide a convenient and attractive means for the Company's considerable number of holders of small parcels of shares (holdings worth less than \$500) to top up their holdings to a marketable parcel or increase their holdings well beyond a marketable parcel.

Please note that under the ASX Listing Rules, issues of shares under a SPP are limited to 30 per cent of the number of AVX shares currently on issue (some 848 million shares) and accordingly the SPP has an initial limit of 254,306,633 shares. Accordingly, if applications exceed the initial limit, then, depending on the levels of oversubscriptions either (at the Company's discretion):

- (a) all applications will be scaled back pro rata subject to applicants holding unmarketable parcels having priority to increase their holdings to a marketable parcel; or
- (b) the Company will issue additional shares under its existing 15 per cent placement capacity or, convene an extraordinary general meeting of shareholders to approve the issue of additional shares under the SPP.

To participate in the SPP, please either:

- complete and return the Application Form accompanying this letter together with your payment; or
- make a BPAY payment in accordance with the instructions on the Application Form, in each case making sure it is received by Avexa's registry no later than 5:00pm (Sydney time) on 17 December 2013.

The SPP will close at 5.00pm on Tuesday 17 December 2013. The Company will make an announcement to ASX on the outcome of the SPP, including the number of New Shares to be issued under the SPP, whether there will be any scale back of Applications and whether or not the Company will seek shareholder approval to the issue of New Shares over the initial limit on or about 18 December 2013.

In deciding whether to participate in the SPP, please take time to read the enclosed 'Share Purchase Plan Booklet' and seek your own investment or taxation advice if needed. In particular, you should note the future market price of Shares is uncertain and may rise or fall. This means the price you pay for New Shares under the SPP may be either higher or lower than the Share price trading on ASX at the time the New Shares are issued to you under the SPP, with the effect that the value of your investment in Shares could rise or fall.

If you have any questions regarding the operation of the SPP, please call Avexa's information line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

On behalf of the Board, I invite you to consider this opportunity to increase your investment in Avexa and thank you for your continuing support.

Yours sincerely

White

lain Kirkwood Chairman

Terms and Conditions

SHARE PURCHASE PLAN BOOKLET



Share Purchase Plan Booklet – Terms and Conditions

1. Offer

This is an offer to Eligible Shareholders of Avexa Limited (**Company**) to purchase up to \$15,000 of additional fully paid ordinary shares in the Company (**New Shares**) without incurring brokerage or additional charges. Please read these Terms and Conditions relating to the SPP, as you will be bound by them by participating in the SPP.

The SPP opens on 9:00am (Sydney time) 21 November 2013 and closes at 5:00pm (Sydney time) on 17 December 2013.

The number of New Shares you receive under the SPP will depend on the amount of your application monies, the total number of New Shares applied for by all Eligible Shareholders and whether or not the Company decides to scale back Applications or allot shares under its existing 15 per cent placement capacity or with shareholder approval (see paragraph 8 below).

The Company reserves the right to scale back Applications where the total value of New Shares applied for by all Eligible Shareholders exceeds \$3,305,986. In the event of a scale back occurring, the Company will give preference to shareholders holding less than a marketable parcel of shares but otherwise reserves the right to give priority to Eligible Shareholders in any manner it sees fit.

All funds raised under the SPP will be applied for general working capital purposes.

2. Eligibility

You will be eligible to participate in the SPP if you:

- (a) are a holder of Shares at 7.00pm (AEDT) on 13 November 2013 (**Record Date**); and
- (b) your address in the Company's share register as at the Record Date is in either Australia or New Zealand (Eligible Shareholder).

This SPP does not constitute an offer in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer. The Company reserves the right to reject any acceptance which it believes comes from a person who is not an Eligible Shareholder.

Participation in the SPP is entirely optional. Offers made under the SPP are not renounceable. This means that Eligible Shareholders cannot transfer their right to purchase New Shares under the SPP Offer to another person.

Existing optionholders who are not also shareholders are not entitled to participate in the SPP.

3. Participation

3.1 Single holders

If you are the only registered holder of Shares, but you receive more than one offer under the SPP (for example, due to multiple registered holdings), you may only apply for up to \$15,000 worth of New Shares.

3.2 Joint holders

If you are recorded with one or more other persons as the joint holder of Shares, that joint holding is considered to be a single registered holding for the purpose of the SPP, and the joint holders are entitled to participate in the SPP in respect of that single holding only. If the same joint holders receive more than one offer under the SPP due to multiple identical holdings, whether those joint holdings be in the same registered name of the joint holding, or as an individual holder, the joint holders may only apply for a maximum parcel of \$15,000 worth of New Shares.

3.3 Custodians, trustees and nominees

If you are a Custodian and hold Shares on behalf of one or more persons that are not custodians (each a Participating Beneficiary), you may apply for a maximum of \$15,000 worth of New Shares for each Participating Beneficiary subject to providing the Company with a Custodian Certificate (see paragraph 11).

If you hold Shares as a trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holders (as above) will apply.

If you hold Shares as a Custodian for joint holders:

- the \$15,000 limit applies jointly in relation to those persons as if the Custodian holds the Shares on behalf of a single person; and
- where the terms on which the Shares are held do not cover the giving of instructions of this kind – the Custodian has received such an instruction from any of those persons.

Custodians should contact Avexa's Share Registry, Computershare Investor Services Pty Limited, on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) for the custodian certificate required under these SPP Terms and Conditions.

4. Pricing of shares under the SPP

The Board has determined that the SPP Offer Price for New Shares issued through the SPP will be \$0.013 per New Share. (**SPP Offer Price**). The SPP Offer Price represents:

- (a) a discount of 7.6 per cent to the Company's market closing price of Shares on 13 November 2013 (being the last trading day before the details of the SPP were announced);
- (b) a discount of 9 per cent to the five day average price of Shares up to and including 13 November 2013.

The SPP Offer Price is fixed, regardless of any changes in the market price of Shares during the SPP Offer period.

Shareholders should be aware that the market price of Shares may rise or fall between the date of this offer and the date when New Shares are allotted and issued to you. The price you pay per New Share under this SPP Offer may be greater or less than the market price of Shares up to or after the time the New Shares are issued to you pursuant to this SPP Offer. This means it is possible that, up to or after the date you receive New Shares under the SPP, you may be able to buy Shares on ASX at a lower price than under the SPP.

You should obtain your own independent investment advice in relation to the SPP Offer and consider price movements of Shares before participating in this SPP Offer.

5. Shares offered

Eligible Shareholders may apply for a maximum of \$15,000 worth of New Shares under the SPP. The following options to acquire New Shares under the SPP are available:

Option	Dollar value of new shares
1	\$1,000
2	\$5,000
3	\$15,000

The SPP has an initial limit of 254,306,633 Shares to raise up to \$3,305,986. In the event that applications exceed the Initial Limit then the Company will deal with oversubscriptions as detailed in paragraph 8.

6. Why should you subscribe for New Shares pursuant to this SPP?

New Shares offered under this SPP are offered at a discount to their market price prior to the date when the SPP was announced. There is no brokerage, commissions or other participation costs payable by you in respect of any acquisition of New Shares under this SPP.

7. Rights attached to New Shares

Shares issued under the SPP will rank equally with existing Shares and will carry the same voting rights, dividend rights and other entitlements. Avexa will apply for the New Shares to be quoted on the ASX.

8. Oversubscriptions

If the Company receives applications for more than \$3,305,986 of New Shares under the SPP it may in its discretion do any of the following:

- (a) undertake a scale back to the extent and in the manner it sees fit;
- (b) subject to any necessary ASX approvals, issue shares to applicants under its 15 per cent placement capacity under Listing Rule 7.1; or
- (c) seek shareholder approval to approve the issue of a greater number of shares under the SPP.

If there is a scale back you may not receive all the New Shares for which you have applied. If there is a scale back the difference between the application monies received from you, and the number of New Shares allotted to you multiplied by the Issue price, will be refunded to you in accordance with this paragraph 8.

The Company in its absolute discretion reserves the right to allot fewer New Shares than an Eligible Shareholder applies for under the SPP Offer, or no New Shares and any determination by the Board in respect of any scaling back will be final.

All fractional entitlements will be rounded down to the next whole New Share. If applications are scaled back, the Company will refund the balance of Application Monies, without interest, following allotment by way of cheque to the applicant's registered address.

The Company also reserves the right to scale back applications if it believes that to do otherwise would be contrary to law.

Share Purchase Plan Booklet – Terms and Conditions

continued

9. Applying for New Shares under the SPP

If you would like to apply for New Shares under the SPP, please complete the enclosed Application Form and return it, together with your cheque made payable to Avexa Limited, to the following address:

Computershare Investor Services Pty Limited GPO Box 505 Melbourne VIC 3001

Applications should only be made in one of the designated amounts set out in the Application Form. If the amount of the cheque tendered with the Application Form is not one of the designated amounts, Avexa reserves the right to return the Application Form and cheque and not allot any New Shares to you or to accept the cheque in respect of a lesser number of New Shares and refund the balance of your Application Monies without interest.

You can also remit funds electronically using BPAY as indicated on the Application Form. Please type the Customer Reference Number and Biller Code exactly as it appears on your Application Form. If you receive more than one Application Form you are required to use the Customer Reference Number and Biller Code found on each form to make your applications. If you remit funds via BPAY there is no need to return the Application Form.

Completed Application Forms together with payment must be received by 5:00pm (AEDT) on 17 December 2013 (**Closing Date**). Applications received after that time will not be accepted.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment.

The return of the Application Form with the Application Monies, or the remittance of funds via BPAY will constitute the Eligible Shareholder's offer to subscribe for New Shares on the Terms and Conditions of this SPP. Once an application has been made, it cannot be revoked. No notice of acceptance of the application will be provided.

10. Certification by eligible shareholders

By making payment by cheque, money order or BPAY, you certify that:

- (a) you are an Eligible Shareholder, as defined in paragraph 2;
- (b) you have read, understood and agree to be bound by the Terms and Conditions of the SPP and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
- (c) your application is irrevocable and unconditional;
- (d) you agree to be bound by the terms of the Company's constitution;
- (e) you agree that the aggregate of the application price for the following does not exceed \$15,000:
 - (i) the New Shares the subject of the application;
 - (ii) any other Shares issued to you under the SPP or any similar arrangement in the 12 months before the application;
 - (iii) any other New Shares that you have instructed a Custodian to acquire on your behalf under the SPP; and
 - (iv) any other Shares that have been issued to a Custodian under an arrangement similar to the SPP in the 12 months before the application as a result of an instruction given by you to the Custodian to apply for Shares on your behalf under an arrangement similar to the SPP.
- (f) you accept the risk associated with any refund that may be sent to your address or to your nominated bank account as shown on the Company's share register;
- (g) you acknowledge that no interest will be paid on any Application Monies held pending the allotment of the New Shares refunded to you for any reason;
- (h) you acknowledge that the Company and the Share Registry have not provided any investment advice or financial product advice, and that none of them have any obligation to provide this advice in relation to your consideration as to whether or not to participate in the SPP;
- (i) you acknowledge that the Company (and each of its officers and agents) is not liable for any consequences of the exercise or non-exercise of its discretions referred to in the SPP;

- (j) you acknowledge that the New Shares have not, and will not be, registered under the US Securities Act of 1933 or the securities law of any other jurisdiction outside Australia or New Zealand and, accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act 1933 and any other applicable securities laws. You may sell your New Shares in standard brokered transactions on the ASX where neither you nor any person acting on your behalf has reason to know that the sale has been pre-arranged with a person in the United States;
- (k) you agree not to send the SPP or any other material relating to the SPP to any person in the United States or any other country outside Australia and New Zealand;
- (I) you authorise the Company (and each of its officers and agents) to correct any error in, or omission from, the Application Form and complete the Application Form by inserting any missing details;
- (m) you acknowledge that the Company may at any time irrevocably determine that your application is valid, in accordance with the Terms and Conditions of the SPP, even if the Application Form is incomplete, contains errors or is otherwise defective;
- (n) you are responsible for any dishonour fees or other costs the Company may incur in presenting a cheque or money order for payment that is dishonoured; and
- (o) if two or more persons are recorded in the Company's register of members as jointly holding Shares or interest in the Company, they are taken to be a single registered holder and a certification given by any of them is taken to be a certification given by all of them.

11. Certification by custodians

Custodians wishing to apply on behalf of one or more Participating Beneficiaries need to provide a custodian certificate which complies with the requirements of ASIC Class Order [CO 09/425] to the Company (**Custodian Certificate**). Please contact Avexa's Share Registry, Computershare Investor Services Pty Limited, on 1300 650 505 (within Australia) or +61 3 9415 4000 (outside Australia) to obtain a copy of the Custodian Certificate. If you are a Custodian, you represent to the Company that you have provided a Custodian Certificate and that you:

(a) hold an Australian financial services licence that:

- (i) covers the provision of a custodial or depository service as defined by section 766E of the Corporations Act; or
- (ii) includes a condition requiring you to comply with the requirements of ASIC Class Order 02/294; or
- (b) are exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service under:
 - (i) paragraph 7.6.01(1)(k) or (na) of the Corporations Regulations 2001 (Cth);
 - (ii) ASIC Class Order 05/1270 to the extent that it relates to ASIC Class Order 03/184; or
 - (iii) ASIC Class Orders 03/1099, 03/1100, 03/1101, 03/1102, 04/829 or 04/1313;
 - (iv) an individual instrument of relief granted by ASIC in terms similar to one of the Class Orders referred to in (iii) above;
 - (v) paragraph 911A(2)(h) of the Corporations Act; or
- (c) are a trustee of a:
 - (i) self-managed superannuation fund;
 - (ii) superannuation master trust;
- (d) are the responsible entity of an IDPS like scheme (as defined in ASIC Class Order CO 02/296 or any class order that replaces that class order); or
- (e) are the registered holder of Shares and are noted on the register of members as holding the Shares on account of another person.

Share Purchase Plan Booklet – Terms and Conditions

continued

12. Additional terms of this SPP

The requirements of the Australian Securities and Investments Commission's Class Order CO 09/425 are incorporated into this SPP.

Under that Class Order, the yearly limit that can be raised from a participant in a share purchase plan is \$15,000. Accordingly, no Eligible Shareholder (including through joint holdings, multiple share accounts or any holding in which the Eligible Shareholder may have a beneficial interest) will be issued with New Shares under this or any other share purchase plan with an application value totalling more than \$15,000 in any consecutive 12 month period.

All New Shares issued under the SPP will rank equally with existing Shares.

The SPP is administered by the Company's Board which may determine in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant, or application, or Shares and the determination of the Board will be conclusive and binding on all participants and other persons to whom the determination relates.

The Board reserves the right to withdraw this SPP and any offer under it at any time prior to the allotment of New Shares and to waive strict compliance with any provision of these terms and conditions, to amend or vary these terms and conditions and to suspend or terminate the SPP at any time. If the SPP is withdrawn, all Application Monies will be refunded without interest.

13. Risks

This section does not seek to describe all the risks to which the Company or an investment in the Company is exposed.

Eligible Shareholders wishing to participate in the SPP should be aware that there is a risk that the market price of the Shares may change between the date of the SPP Offer and the date when the New Shares are issued to Eligible Shareholders. In this event, the value of the New Shares that Eligible Shareholders receive may be adversely affected and may mean that up to or after the date on which the New Shares are issued to you, you may be able to purchase ordinary shares in the Company on the market at a lower price than the price which was offered to you under the SPP. There are also regulatory risks including risk of legislative and regulatory changes, risks related to general market conditions including exchange rate risk, interest rates, market sentiment and circumstances and conditions which are not within the Company's control such as new entrants and competition.

Potential investors should carefully consider the risks in light of their personal circumstances (including financial and taxation issues) and seek professional advice from their stockbroker, accountant, lawyer or other professional adviser.

14. Consider obtaining financial advice

- (a) The offer to purchase New Shares under the SPP is not a recommendation to purchase Shares. You should consider obtaining professional financial and/or taxation advice to assist you in determining whether or not, and the extent to which, you wish to participate in the SPP.
- (b) Nothing in this SPP, the Application Form or any other accompanying documentation constitutes investment or financial product advice or is intended to influence your decision whether or not to participate in the SPP.

15. New Zealand

- (a) The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).
- (b) This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

16. United States

This document may not be released or distributed in the United States. The New Shares have not been and will not be registered under the US Securities Act 1933 or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be taken up by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. The New Shares may not be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act 1933 and the applicable securities laws of any state or other jurisdiction in the United States.

17. SPP timetable

(a) Subject to clause 17(6):

- (i) (Record Date): 13 November 2013;
- (ii) (Opening Date) 21 November 2013;
- (iii) (Closing Date) 17 December 2013;
- (iv) (Allotment Date) 23 December 2013;
- (v) (Dispatch Date) 24 December 2013;
- (b) Avexa may vary any of the above dates in clause 17(a) at its discretion (even if the SPP has opened, or BPAY or Application Forms have been received).

18. Queries

If you have any queries concerning the SPP, please call Avexa's information line on 1300 850 505 (within Australia) or +61394154000 (outside Australia).

19. Glossary

Application Form means the application form that accompanies this Share Purchase Plan.

Application Monies means the payment referred to in clause 9.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange as the context requires.

Board means the Board of Directors of Avexa Limited.

Custodian means a custodian, trustee or, nominee within the definition of 'custodian' in ASIC Class Order [CO 09/425], that:

(a) holds an Australian financial services licence that:

- (i) covers the provision of a custodial or depository service; or
- (ii) includes a condition requiring the holder to comply with ASIC Class Order [CO 02/294]; or
- (b) is exempt under:
 - paragraph 7.6.01(1)(k) of the Corporations Regulations 2001; or
 - (ii) ASIC Class Order [CO 05/1270] to the extent that it relates to ASIC Class Order [CO 03/184]; or
 - (iii) ASIC Class Orders [CO 03/1099], [CO 03/1100], [CO 03/1101], [CO 03/1102], [CO 04/829], [CO 04/1313]; or

- (iv) An individual instrument of relief granted by ASIC to the person in terms similar to one of the class orders referred to in the above paragraph; or
- (v) Paragraph 911A(2)(h) of the Act;

from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service; or

- (a) that is a trustee of a:
 - (i) self-managed superannuation fund or
 - (ii) superannuation master trust; or
- (b) that is the responsible entity of an IDPS-like scheme; or
- (c) that is the registered holder of Shares or interests in the class and is noted on the register of members of the body or scheme (as the case may be) as holding the Shares or interests on account of another person.

Custodian Certificate means the certificate referred to in clause 13.

Closing Date means 17 December 2013.

Company or Avexa means Avexa Limited ACN 108 150 750.

Corporations Act means the Corporations Act 2001 (Cth).

Eligible Shareholder means a person who is eligible to participate in the SPP in accordance with clause 2 of these Terms and Conditions.

New Shares means the Shares offered under the SPP.

Participating Beneficiary has the meaning given to it in clause 3.

SPP or **Share Purchase Plan** means the Share Purchase Plan offered by the Company to Eligible Shareholders.

SPP Offer means the offer set out in clause 1, made on the terms and conditions contained in this document and the Application Form.

SPP Offer Price means the \$0.013 per Share.

Record Date means 7.00pm (AEDT) 13 November 2013.

Shares means fully paid ordinary shares in the Company.



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Dear Shareholder

Opportunities for your shareholding in Avexa Limited

Avexa Limited (Avexa) (ASX:AVX) is pleased to provide an opportunity for you to sell your shareholding in Avexa without incurring any brokerage or handling costs.

This program is available to eligible shareholders who, at 7.00pm (AEST) on 8 November 2013 (**Record Date**), were holders of fully paid ordinary shares in Avexa (Avexa Shares) valued at less than A\$500 (Small Parcel) whose registered address is in Australia or New Zealand (Small Shareholder Sale Facility).

Our records show that you held a Small Parcel of Avexa Shares at the Record Date, and accordingly your holding of Avexa Shares is eligible for the Small Shareholder Sale Facility.

Based on a price of A\$0.014 per Avexa Share, being the closing price of Avexa Shares on the Australian Securities Exchange (**ASX**) on the Record Date, a Small Parcel is any holding of 35,714 Avexa Shares or less.

Avexa recognises that there are many shareholders who hold Small Parcels of Avexa Shares (**Small Shareholders**) who may find it difficult or expensive to dispose of their Avexa Shares.

The Small Shareholder Sale Facility provides eligible Small Shareholders with a convenient way to sell Avexa Shares and at the same time allows Avexa to reduce its significant costs associated with administering many small shareholdings.

Information in this letter and in the enclosed documents will assist you to decide whether to:

- sell your holding;
- retain your existing holding; or
- increase your shareholding.

If you do not want your shares to be sold, you must either return a 'Share Retention Form' as instructed below or increase your shareholding to above A\$500 of Avexa Shares.

The Directors' strong preference is to see Small Shareholders top up their holdings of Avexa Shares. To make this as easy as possible for you, the Company has announced a Share Purchase Plan (**SPP**) which is open to all shareholders with registered addresses in Australia and New Zealand. This will enable you to increase your shareholding at a **discount** and **free of brokerage** and other transaction costs and has been structured to encourage our loyal, smaller Shareholders to apply to increase their shareholding in Avexa. If the Company is required to limit the total number of shares to be issued under the SPP, we will cut applicants back pro rata except that a Small Shareholder's application will only be cut back after sufficient shares have been allocated to top up the relevant holding to a marketable parcel.

As a Small Shareholder, you can choose **ONE** of the following three options:

Sell your shares	Do nothing If you want your Avexa shares to be sold, do nothing. Your shares will be sold by Avexa on your behalf and you will be sent a cheque for the proceeds or by direct credit where bank account details are recorded. You will not incur any brokerage or handling costs associated with the disposal of your Avexa Shares.				
Buy more shares	Complete the SPP Application Form To invest A\$1,000, A\$5,000 or A\$15,000 in additional Avexa shares without incurring any brokerage or handling costs to move your holding above the Small Parcel threshold, please:				
	• complete and return the SPP Application Form accompanying this letter together with your payment; or				
	• make a BPAY payment in accordance with the instructions on the Application Form, in each case making sure it is received by Avexa's registry no later than 5:00pm (AEDT) on 17 December 2013.				
	The price at which the shares will be issued under the SPP (Issue Price) will be \$0.013.				
	If you buy more Avexa shares in this way your existing Avexa shares will not be sold.				
Retain your shares	Complete the enclosed Share Retention Form To retain your Avexa shares, please complete the enclosed 'Share Retention Form' and return it using the reply paid envelope to the Avexa registry so that it is received by no later than the Closing Date of 5:00pm (AEDT) on 6 January 2014.				
	Alternatively, make your own arrangements outside of the SPP to purchase additional Avexa Shares prior to the Closing Date so that your shareholding is worth at least A\$500 by the Closing Date. If you have more than one holding of Avexa Shares, then you can contact Computershare to assist with consolidating them into a single holding.				

Important information

Please take time to read the enclosed 'Share Purchase Plan Booklet' and 'Summary of Important Information for the Small Shareholder Sale Facility' and seek your own investment or taxation advice if needed.

The market price of financial products is subject to change from time to time. Whilst Avexa and its nominee broker, Baillieu Holst Limited (**Broker**) will endeavour to ensure the best available sale price and purchase price is achieved for your Avexa Shares under this Small Shareholder Sale Facility, no assurance or certainty can be provided by Avexa or the Broker about the price at which Avexa Shares are sold or acquired however your Avexa Shares will not be sold at a price which is lower than the weighted average price of Avexa Shares on ASX during the five trading days prior to the date this letter is sent to you (rounded off to the nearest half cent). Up to date information on the market price of Avexa shares is available on the ASX website (www.asx.com.au), or in the business section of your local newspaper.

Any taxation consequences arising from the sale of your shares under the Small Shareholder Sale Facility will be your responsibility.

Please note that the SPP and Small Shareholder Sale Facility do not affect your ability to buy or sell Avexa shares on ASX (subject only to the 'Terms and Conditions of the Small Shareholder Sale Facility'). However, the discount and brokerage and transaction cost savings available under the SPP will not apply to purchases on ASX.

Timetable

Event	Date			
Sale Facility Record Date (7.00pm Sydney time)	8 November 2013			
Record Date of the SPP (7.00pm Sydney time)	13 November 2013			
Share Retention Form sent	21 November 2013			
Opening Date of the SPP	21 November 2013			
Closing Date of the SPP	17 December 2013			
Relevant Date (for return of Share Retention Forms)	6 January 2014			

If you have any questions regarding the operation of the SPP or the Small Shareholder Sale Facility, please call Avexa's information line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

On behalf of the Board, I encourage you to consider the opportunities provided under the SPP and Small Shareholder Sale Facility and thank you for your continuing support.

Yours sincerely

MKinh

lain Kirkwood Chairman

Summary of Important Information

SMALL SHAREHOLDER SALE FACILITY



Your options and what you need to do

Your options are as follows:

- If you would like to sell your Avexa Limited (Avexa) shares without paying brokerage or handling fees under the Small Shareholder Sale Facility, you do not need to do anything in response to the accompanying letter. In that case, Avexa will become entitled to have your shares sold for you under the Small Shareholder Sale Facility with the proceeds of sale being sent by cheque or direct credit (where bank account details are recorded) to you.
- It is currently anticipated that the proceeds of sale shares under the small Shareholder Sale Facility will be sent by cheque or direct credit (where bank account details are recorded) to participating shareholders on or about 20 January 2013.
- If you wish to retain your shares in Avexa, you must do one of the following:
- Complete the accompanying form headed 'Share Retention Form' and return it in accordance with the instructions on the form so that it is received by no later than 5:00pm (AEDT) on 6 January 2014 (Closing Date);
- Participate in the SPP by completing and returning the accompanying Application Form together with your payment or making a BPAY payment in accordance with the instructions on the Application Form, in each case making sure it is received by Avexa's registry no later than 5:00pm (Melbourne time) on 17 December 2013;
- Otherwise purchase additional Avexa shares so that your shareholding becomes a marketable parcel worth more than A\$500 before 7:00pm on the Closing Date. For such purchases to be an effective notification to Avexa that you wish to retain your shares, any additional shares must be held in the same holding as your current shares (i.e. you must advise your broker to purchase shares under the same holder number (HIN or SRN) that is stated on the enclosed forms) and be registered by no later than 7:00pm (AEDT) on the Closing Date; or
- If you hold Shares in multiple holdings, arrange to have those holdings merged into one holding of more than 35,714 shares so that it is reflected on the Avexa share register at 7.00pm on the Closing Date.

Sales of Avexa shares under the Small Shareholder Sale Facility will be made by Baillieu Holst Limited (the **Broker**) (acting as execution-only broker) on the Australian Securities Exchange (**ASX**). You do not need to appoint your own broker.

The price of shares in Avexa – In the month before 14 November 2013, Avexa shares traded on the ASX in the range of \$0.014 to \$0.015, with the closing price on 13 November 2013 being \$0.014. The price of shares in Avexa is subject to change from time to time, and pricing information is available from newspapers or the ASX website (www.asx.com.au) under the code 'AVX'.

You should be aware that the price of Avexa shares that you sell under the Small Shareholder Sale Facility will depend on a number of factors (including prevailing market conditions) and will be a volume weighted average price. Clauses 3.2 and 3.3 of the enclosed Small Shareholder Sale Facility – Terms and Conditions explain how the relevant price will be determined.

You should also note that the price at which Avexa shares will be sold under the Small Shareholder Sale Facility is not fixed, is not underwritten, may be different (i.e. more or less) than the market price of Avexa shares at any given time, and may not be the best price obtainable on the day on which your Avexa shares are sold. Further, if a large number of Avexa shares are sold under the Small Shareholder Sale Facility at the same time as your shares, this may have an adverse effect on the price at which your shares are sold.

All participants who have their shares sold under the Small Shareholder Sale Facility will receive the same sale price per share. The sale proceeds to which participants will be entitled will be calculated by multiplying the sale price by the number of shares participants held at the Closing Date rounded to the nearest cent. Accordingly, the amount of money you receive for shares sold under the Small Shareholder Sale Facility may be more or less than the actual price received by the broker for your shares.

Important notes – Please read this document and the other documents accompanying it carefully as they contain important information. You should note that none of those documents constitute advice or a recommendation by Avexa, the Broker or Computershare Investor Services Pty Limited (Computershare) to buy, sell or hold shares in Avexa, nor that the Small Shareholder Sale Facility is the best way to sell shares in Avexa.

If you do not respond to these documents, you will be taken to appoint Avexa as your agent to receive any notice (including a Financial Services Guide and any update to that document) that the Broker or Computershare is required to provide under the Corporations Act 2001 (Cth).

If you are in any doubt about whether to participate, you should consult a professional advisor. You may wish to seek independent professional advice concerning the tax consequences of your decision.

Small Shareholder Sale Facility – Terms and Conditions

1. Participation

- 1.1 All registered shareholders in Avexa Limited (Avexa) who hold less than A\$500 worth of shares (Unmarketable Parcels) as at 7.00pm (AEDT) 8 November 2013 (Eligible Shareholders) are entitled to participate in the Small Shareholder Sale Facility in accordance with these Terms and Conditions. Participation by Eligible Shareholders is optional.
- 1.2 There is a minimum period of six weeks from the date the Small Shareholder Sale Facility Notice is sent by Avexa to the Eligible Shareholders, for Eligible Shareholders to advise Avexa in writing that they wish be excluded from the Small Shareholder Sale Facility and retain their Avexa shares pursuant to completion and return of the Share Retention Notice accompanying these Terms and Conditions.
- 1.3 If an Eligible Shareholder has given written notice to Avexa that they wish to be excluded from the Small Shareholder Sale Facility pursuant to completion and return of the Share Retention Form, they may, at any time prior to the closing time of 5.00pm (AEDT) on 6 January 2014, revoke or withdraw that notice and the Small Shareholder Sale Facility will then apply to the shares held by the Eligible Shareholder.
- 1.4 Only properly completed Share Retention Forms received by Computershare Investor Services Pty Limited (Computershare) by no later than 5.00pm (AEDT) on 6 January 2014 will be regarded as valid.
- 1.5 Sale proceeds will be sent to you on or about 20 January 2013 and will be paid to you in Australian dollars by cheque, which will be mailed to you at the address set out in the accompanying letter, or by direct credit (where bank account details are recorded).

2. Shareholder charges

2.1 Avexa will pay all brokerage costs and expenses associated with the sale of Avexa shares under the Small Shareholder Sale Facility.

3. Appointment of Avexa Limited and the broker

- **3.1** As at 5.00pm (AEDT) 6 January 2014, Avexa shall have the right to sell or otherwise dispose of the Avexa shares held by all Eligible Shareholders who as at that time still hold a parcel of Avexa shares with a value of less than \$500 and have not advised Avexa in writing pursuant to the Share Retention Form that they wish to be excluded from the Small Shareholder Sale Facility.
- **3.2** For the purpose of selling or disposing of Avexa shares, each Eligible Shareholder irrevocably:
 - appoints Avexa as its agent to sell all the shares held by it, at or around the then prevailing market price of Avexa shares quoted on the ASX, by giving instructions on behalf of the Eligible Shareholder to Baillieu Holst Limited

(the **Broker**) as an 'execution only' Broker. The Broker is not giving and will not be obliged to give any investment or securities advice to the Eligible Shareholder;

- (ii) appoints Avexa and each Director and Secretary from time to time jointly and severally as their attorney in their name and on behalf to effect a transfer document for their shares and to otherwise act to effect a transfer of their shares; and
- (iii) appoints Avexa as its agent to deal with the proceeds of sale of those shares in accordance with these Terms and Conditions.
- 3.3 The price that participants in the Small Shareholder Sale Facility will receive for shares sold will be the volume weighted average price of all shares sold through the Small Shareholder Sale Facility (Sale Price) and which must not be a price that is lower than the than the weighted average price of Avexa Shares on ASX during the five trading days prior to the date the accompanying letter was sent to shareholders (being, 21 November 2013) rounded off to the nearest half cent. The Sale Price will be calculated by dividing the total sale proceeds of all Shares under the Small Shareholder Sale Facility by the total number of Shares sold. All participants will receive the same Sale Price per share. The sale proceeds to which participants will be entitled is calculated by multiplying the Sale Price by the number of shares that Participant held at 5.00pm on the Closing Date rounded to the nearest cent.

4. Avexa to deal with proceeds of sale

Avexa will deal with the proceeds of sale of the Avexa shares under the Small Shareholder Sale Facility as follows:

- the proceeds will be paid into a separate bank account opened and maintained by Avexa for that purpose;
- (ii) the proceeds will be held in trust for each of the participating Eligible Shareholders;
- (iii) Avexa will forward the proceeds of the sale to each participating Eligible Shareholder by cheque or direct credit (where bank account details are recorded) on or about 20 January 2014; and
- (iv) if the whereabouts of any participating Eligible Shareholder is unknown then Avexa may deal with those proceeds according to the applicable laws dealing with unclaimed monies.

5. What happens if there is a takeover bid?

In accordance with Avexa's Constitution, the Small Shareholder Sale Facility will become unavailable following the announcement of a takeover bid for Avexa, however it may be recommenced after the close of any takeover.

6. Facility governed by constitution of Avexa Limited

In addition to the Terms and Conditions above, the Small Shareholder Sale Facility is governed by the Constitution of Avexa.



Avexa Limited ABN 53 108 150 750 Suite 8, Level 1, 61-63 Camberwell Road Hawthorn East, Victoria 3123 Australia T +61 3 8888 1040 F +61 3 8888 1049 www.avexa.com.au





Avexa Limited ABN 53 108 150 750 For all enquiries: Phone:



(within Australia) 1300 850 505 (outside Australia) 61 3 9415 4000

← 000001 000 AVX MR SAM SAMPLE 123 SAMPLE STREET SAMPLETOWN VIC 3000

Make your payment:



See overleaf for details of the Offer and how to make your payment

Share Purchase Plan Application Form

∑ Your payment must be received by 5:00pm (Sydney time) Tuesday 17 December 2013

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

By making payment you agree to be bound by the Constitution of Avexa Limited and that the submission of this payment constitutes an irrevocable offer by you to subscribe for Avexa Limited shares on the terms of the Share Purchase Plan (**SPP**).

In addition, by submitting the payment slip overleaf you certify that the aggregate of the application price paid by you for:

the New Shares the subject of the payment slip overleaf; and
any other shares and interests in the class applied for by you directly or indirectly (such as via a custodian) under the SPP or any similar arrangement in the 12 months prior to the date of submission of the payment slip overleaf does not exceed A\$15,000. Avexa Limited may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application.

Any determinations by Avexa Limited will be conclusive and binding on all eligible shareholders and other persons to whom the determination relates. Avexa Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all eligible shareholders even where Avexa Limited does not notify you of that event.

Step 1: Registration Name

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

Your payment must correspond to one of the options detailed overleaf (A\$1,000, A\$5,000 or A\$15,000). You may choose ONE option only. Note that the amount chosen may be subject to scale back in accordance with the terms of the SPP.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the slip with BPAY payment.

By Mail: Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "Avexa Limited" and cross "Not Negotiable". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the slip overleaf. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we m need to contact you.

Avexa Limited Share Purchase Plan Application Formneed toPayment must be received by 5:00pm (Sydney time) Tuesday 17 December 2013

® Registered to BPAY Pty Limited ABN 69 079 137 518

Turn over for details of the Offer \rightarrow

<u>Sh</u>	are Purcha	_ X 9999999991	IND		
STEP 1 Registration Name & Offer Details				近 For your security keep yo HIN confidential.	ur SRN/
	Registration Name:	MR SAM SAMPLE 123 SAMPLE STREET SAMPLETOWN VIC 30	00	Entitlement No: 12345678	
	Offer Details:	Record date:	7.00pm (AEDT) on Wedr	nesday, 13 November 201	3
Minimum value available to purchase:		A\$1,000			
		Maximum value available to purchase:	A\$15,000	<u>1</u> .	
ST	EP 2 Make You	ır Payment			
BPAY	Biller Code: 12345 Ref No: 1234 5678 912		y by Mail: Make your cheque, money order or Return your cheque with the below		<u>ed</u> .
	ict your financial institution ent from your cheque or a pat	-	Computershare Investor Services GPO BOX 505 Melbourne Victoria	•	

Lodgement of Acceptance

account.

If you are applying for shares and your payment is being made by BPAY®, you do not need to return the slip below. Your payment must be received by no later than 5.00pm (Sydney time) on Tuesday 17 December 2013. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor accepts any responsibility for loss incurred through incorrectly completed BPAY® payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5.00pm (Sydney time) on Tuesday 17 December 2013. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the slip below with cheque attached. Neither CIS nor the Company accepts any responsibility if you lodge the slip below at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited (CIS) as registrar for the securities issuer (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS using the details provided above or email privacy@computershare.com.au

Detach here

2013

Purchase Details for Avexa Limited (choose one option)

Payment must be received by 5:00pm (Sydney time) Tuesday 17 December

\$1,000 worth of New Shares	OR	\$5,000 worth of New Shares	OR	

\$15,000 worth of New Shares



Entitlement No: 12345678

MR SAM SAMPLE 123 SAMPLE STREET SAMPLETOWN VIC 3000

Cor	ntact	Deta	nils

Contact Name		Daytime — Telephone —		
Cheque Details Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$



Avexa Limited ABN 53 108 150 750

Return your Form to the Company's share registry:



For all enquiries:



(within Australia) 1300 850 505 (outside Australia) +61 3 9415 4000

SHARE RETENTION FORM

⊢ 000001 000 AVX

SAMPLETOWN NSW 2001

MR SAM SAMPLE

UNIT 123 SAMPLE STREET

🆄 If you wish to retain your shares, your form must be received by 5.00pm (AEDT) on 6 January 2014

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Shareholder Details

Use this form if you wish to retain your shares in Avexa Limited. If you have recently bought or sold shares your holding may differ from that shown. If you have already sold all your shares in Avexa Limited or have applied to participate in the current Avexa SPP, do not complete or return this form. If you have more than one holding on Avexa Limited's register and you do not sell your shares under the Small Shareholding Sale Facility, you should consider consolidating them. For further advice on how to do this, contact Computershare Investor Services Pty Limited ("CIS") on the number above.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect. If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Signing Instructions

Individual: Where the holding is in one name, the shareholder must sign.

Joint Holding: Where the holding is in more than one name, all of the shareholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form. **Companies:** Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary OR a Sole Director (if no Company Secretary exists), OR
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner. **Deceased Estate:** All executors must sign and a certified copy of the Death Certificate and Will must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form





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For your security keep your SRN/

HIN confidential.

SHARE RETENTION FORM

STEP 1

Shareholder Details

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001



Change of Address If incorrect, mark this box and

make the correction in the space to the left.

Shares held as at 7.00pm (AEDT) on 8 November 2013 (Record Date):

2000

STEP 2 Signature of Shareholder(s) This section must be completed.

By signing and returning this form, I/we confirm that I/we understand that my/our shares will NOT be sold under the Small Shareholding Sale Facility

Individual or Shareholder 1	Shareholder 2		Shareholder 3			
Sole Director and Sole Company Secretary/ Sole Director (cross out titles as applicable)	Director		Director/Company (cross out titles as			
Contact Name		Contact Daytime Telephone		Date -	Ι	1
Email Address						

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited (CIS) as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS using the details provided above or email privacy@computershare.com.au



