



25th July 2014

SHARE PLACEMENT AND 2014 SHARE PURCHASE PLAN

Share Placement

SomnoMed Limited (“SomnoMed” or the “Company”) today announced the placement of 3.7 million new ordinary shares with “Sophisticated and Professional Investors” at \$1.50 per share to raise \$5.55 million, before costs of the issue. The Chairman and other Directors of the Company will be subscribing \$405,000, equating to 270,000 shares, subject to shareholder approval to be obtained at the Company’s 2014 AGM, which is included in the above-mentioned amounts.

The net proceeds of the issue will strengthen the Company’s financial position and enable it to

- Invest in doubling capacity of the plant and introducing digital processes in the plant and our hubs in Sydney, Tokyo, Seoul, Stockholm, Helsinki, Oslo, Ede (Holland), Thuengersheim (Germany), Angers (France), Madrid, Sheffield (United Kingdom), Thiene (Italy), Frisco Texas (USA) in 2014/15; and
- Fund working capital for increased revenues in existing markets, as well as fund working capital and operational activities in new markets.

The share placement, less the amount to be placed with parties associated with the Chairman and other directors, will be completed on 5th August 2014, within the Company’s available issuing capacity under ASX Listing Rule 7.1.

Share Purchase Plan

As part of the Company’s commitment to its existing shareholders SomnoMed looked for a way to offer all shareholders the opportunity to participate in this investment at the same price as the sophisticated and professional investors, who are taking the placement of shares.

As a result the Company is also pleased to announce that it has established the 2014 Share Purchase Plan (“SPP”) and that it will offer shareholders, who are on the Company’s share register as at 7.00pm (Sydney time) on 24th July 2014 (the “Record Date”) an invitation to participate in the SPP to increase their holding in the Company at the price paid per share under the share placement.

The maximum number of shares to be issued under the SPP is 1 million. As a result the Company will raise a maximum of \$1.5 million under this offer. The additional funds raised via the SPP will provide additional funding for working capital and sufficient resources for the Company to take advantage of the global growth opportunities. Formal SPP documents and application forms, which allow shareholders to purchase additional ordinary shares under the SPP will be posted to shareholders, who are on the register at the Record Date.

The directors have indicated they will subscribe for shares under the SPP.

The indicative timetable for the SPP is set out below:

Record Date	24 th July 2014
Announcement of Share Purchase Plan	25 th July 2014
Dispatch of Offer	30 th July 2014
Share Purchase Plan offer closes	15 th August 2014
Allotment and Issue of Shares	22 nd August 2014

The terms and conditions of the Company's Share Purchase Plan are contained in the SomnoMed Limited 2014 Share Purchase Plan Rules, which will be despatched to shareholders with the SPP documents.

Select Equities Pty Limited has acted as a Lead Manager to the Placement.



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SomnoMed Limited

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About SomnoMed

SomnoMed is a public company providing diagnostic and treatment solutions for Sleep-related Breathing Disorders including obstructive sleep apnea, snoring and bruxism. SomnoMed was commercialized on the basis of extensive clinical research. Supporting independent clinical research, continuous innovation and instituting medical manufacturing standards has resulted in SomnoDent[®] becoming the state-of-the-art and clinically proven medical oral appliance therapy for obstructive sleep apnea. SomnoDent[®] is the most comfortable and effective design and treatment solution for over 175,000 patients in 24 countries.

For additional information, visit SomnoMed at <http://www.somnomed.com.au>