



15 October 2014

ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Cleansing Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by BSA Limited (ABN 50 088 412 748) (ASX: BSA) (**BSA** or the **Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**) as notionally modified by Australian Securities and Investments Commission (**ASIC**) Class Order 08/35.

BSA has today announced a capital raising of approximately \$21.3 million through:

- (a) a placement to sophisticated and professional investors and senior management of BSA of approximately 38.4 million new fully paid ordinary shares (**New Shares**) in the Company (**Placement**) (of which the placement to senior management of approximately 4.1 million New Shares, raising \$450,000, will be subject to shareholder approval); and
- (b) a pro-rata non-renounceable entitlement offer of approximately 155.6 million New Shares in the Company (**Entitlement Offer**).

The Entitlement Offer will be made to all shareholders (**Eligible Shareholders**) who are registered as a holder of the Company's Shares as at 7.00pm (Sydney time) on 21 October 2014 (**Record Date**).

Under the Entitlement Offer, Eligible Shareholders are invited to subscribe for 17 New Shares for every 25 BSA shares held as at 7.00pm (Sydney time) on the Record Date.

The Entitlement Offer will incorporate a shortfall facility under which Eligible Shareholders can apply to take up New Shares in excess of their pro rata entitlement (**Shortfall Facility**). Applications under the Shortfall Facility will only be considered to the extent there is a shortfall under the Entitlement Offer and will be subject to the terms set out in the Offer Booklet to be issued in connection with the Entitlement Offer. No Eligible Shareholder will be permitted to acquire New Shares under the Shortfall Facility to the extent BSA considers (acting reasonably) that doing so would result in a contravention of the takeovers limits in section 606 of the Corporations Act.

New Shares under the Placement will be issued to places after the Record Date for the Entitlement Offer and therefore will not be entitled to participate in the Entitlement Offer.

The Entitlement Offer is fully underwritten by Canaccord Genuity (Australia) Limited (**Canaccord** or the **Underwriter**).

www.bsa.com.au

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BSA Limited ABN: 50 088 412 748



If Eligible Shareholders do not take up their pro rata entitlements under the Entitlement Offer, the shortfall will be allocated:

- first, to Eligible Shareholders who apply to take up additional New Shares in accordance with the terms of the Shortfall Facility; and
- next to the Underwriter and sub-underwriters.

Further details regarding the underwriting and sub-underwriting arrangements are set out in the Offer Booklet to be issued in connection with the Entitlement Offer.

The issue of New Shares under the Placement will have the effect of diluting the percentage shareholdings of Shareholders in the Company who do not participate in the Placement. Whether the Entitlement Offer has any further effect on the percentage shareholdings of Shareholders will be dependent on the extent to which Shareholders participate in the Entitlement Offer (including under the Shortfall Facility). In particular:

- Shareholders who do not take up their full pro rata entitlement under the Entitlement Offer will have their percentage shareholding in the Company further diluted following the issue of New Shares under the Entitlement Offer.
- Shareholders who take up their full pro rata entitlement under the Entitlement Offer will maintain their percentage shareholding (although, as noted above, because of the issue of New Shares under the Placement, that percentage shareholding will be less than their percentage shareholding immediately prior to completion of the Placement).
- Shareholders who take up their full pro rata entitlement under the Entitlement Offer and receive New Shares under the Shortfall Facility and/or receive New Shares as sub-underwriters, will increase their percentage shareholding in the Company to the extent they receive additional New Shares under the Shortfall Facility and/or their sub-underwriting arrangements.

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

BSA advises that:

- 1 the New Shares to be issued pursuant to the Entitlement Offer will be offered for issue without disclosure under Part 6D.2 of the Act;
- 2 this notice is being given under section 708AA(2)(f) of the Act as notionally modified by ASIC;
- 3 as a disclosing entity, BSA is subject to regular reporting and disclosure obligations;
- 4 as at the date of this notice, BSA has complied with:
 - (a) the provisions of Chapter 2M of the Act as they apply to BSA; and
 - (b) section 674 of the Act;
- 5 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 Act as notionally modified by ASIC that is required to be set out in this notice; and
- 6 the potential effect the Entitlement Offer will have on the control of BSA, and the consequences of that effect, are as set out below.



Control effects

Having regard to:

- the composition of BSA's share register;
- the effect of the Placement, and the sophisticated and professional investors and the senior management participating in the Placement; and
- the terms of the Entitlement Offer (including the Shortfall Facility), the underwriting and sub-underwriting arrangements in place for the Entitlement Offer, and the nature of the Underwriter and sub-underwriters,

BSA does not believe that any person will increase their percentage shareholding in BSA pursuant to the Entitlement Offer in a way which will have any material impact on the control of BSA.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Graham Seppelt', written in a cursive style.

Graham Seppelt
Company Secretary