Melbourne IT Ltd
ABN 21 073 716 793
ACN 073 716 793
Level 4, 1-3 Smail Street
Ultimo NSW 2007 Australia
www.melbourneit.info

1 May 2017

The Manager
Market Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

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

This notice is given by Melbourne IT Limited ACN 073 716 793 (ASX Code: MLB) (**Melbourne IT**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by the Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**ASIC Instrument 2016/84**).

Melbourne IT has announced today a fully underwritten pro-rata accelerated non-renounceable entitlement offer to raise approximately A$30.7 million (**Entitlement Offer**).

Under the Entitlement Offer, eligible shareholders with registered addresses in Australia and New Zealand and certain other foreign jurisdictions to which Melbourne IT decides to extend the Entitlement Offer (**Eligible Shareholders**), will be invited to subscribe for 1 new fully paid ordinary share in Melbourne IT (**New Shares**) for every 7 fully paid ordinary shares in Melbourne IT held by Eligible Shareholders as at 7pm (AEST) on 3 May 2017.

For the purposes of section 708AA(7) of the Corporations Act, Melbourne IT advises that:

(a) the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Corporations Act;

(b) this notice is being given under section 708AA(2)(f) of the Corporations Act as modified by ASIC Instrument 2016/84;

(c) as at the date of this notice, Melbourne IT has complied with:

  (i) the provisions of Chapter 2M of the Corporations Act as they apply to Melbourne IT; and

  (ii) section 674 of the Corporations Act;

(d) 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 modified by ASIC Instrument 2016/84; and

(e) the potential effect that the Entitlement Offer will have on the control of Melbourne IT, and the consequences of that effect, will depend on a number of factors, including investor demand. While it is not possible for the directors to predict the outcome of these factors, the potential effect that the issue of New Shares will have on the control of Melbourne IT is as follows:

  (i) if all Eligible Shareholders take up their entitlements under the Entitlement Offer, there will be no material effect on the control of Melbourne IT;

  (ii) the percentage interests of shareholders that are not Eligible Shareholders will be diluted;

(iii) to the extent that any Eligible Shareholder fails to take up their entitlements under the Entitlement Offer, that Eligible Shareholder's percentage holding in Melbourne IT's shares will be diluted by the issue of the New Shares; and

(iv) although the issue of New Shares which are not taken up under the Entitlement Offer may increase the voting power of the underwriters (or eligible instituional investors who may be allocated New Shares via the bookbuild process or any sub-underwriters), it is not expected that the Entitlement Offer will have a material effect on the control of Melbourne IT.

Yours sincerely,

Mei Loke
Acting Company Secretary
Melbourne IT Limited