



ADVANCED SURGICAL DESIGN & MANUFACTURE LIMITED

1 October 2014

Dear Shareholder

**Advanced Surgical Design & Manufacture Limited – Non-Renounceable Rights Issue  
Notice to Ineligible Shareholders**

On 26 September 2014, Advanced Surgical Design & Manufacture Limited (ASDM) announced a non-renounceable rights issue of up to approximately 20,125,575 (subject to rounding) new fully paid ordinary shares (Rights Issue) under which its Eligible Shareholders are being offered 23 fully paid ordinary share in ASDM (New Share) for every 50 fully paid ordinary shares held on the Record Date, at an issue price of \$0.05 per share. The Record Date is Tuesday, 7 October 2014.

The Rights Issue is being implemented by means of a Prospectus under section 713 of the Corporations Act 2001 (Cth) (Corporations Act).

The Rights Issue (if fully subscribed) will raise approximately \$1,006,279 (before costs). ASDM intends to use the proceeds from the Rights Issue to accelerate research and development and sales projects, to undertake the corporate rebranding of the Company and to meet the Offer costs.

Documents for the Rights Issue were lodged with the ASX on 26 September 2014 and are being mailed to Eligible Shareholders.

This Rights Issue Offer will be made to those shareholders of ASDM with registered addresses in Australia and New Zealand only (Eligible Shareholders).

ASDM has decided that it is unreasonable to make the Offer to shareholders with registered addresses outside of Australia and New Zealand (Ineligible Shareholders) due to the small number of such Shareholders, and the cost of complying with regulatory requirements in jurisdictions outside of Australia and New Zealand.

You are not entitled to participate in the Rights Issue and subscribe for New Shares as you are an Ineligible Shareholder.

This notice is to inform you about the Rights Issue. It is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.

You are not required to do anything in response to this letter.

If you have any questions in relation to this letter, please contact the Company's share registry, Link Market Services Limited, by telephone on 1300 911 275 (within Australia) and +61 1300 911 275 (outside Australia) between 8:30a.m. and 5:30p.m. (AEST) Monday to Friday.

Yours faithfully

Richard Ulrick  
Company Secretary

ADVANCED SURGICAL DESIGN & MANUFACTURE LIMITED  
PO BOX 72, ST. LEONARDS, NSW 2065  
PH:+61 2 9439 4448 FAX:+61 2 9439 4441

For personal use only