

ASX/MEDIA RELEASE 16 AUGUST 2016

LESS THAN MARKETABLE PARCEL SALE

The Board of Actinogen Medical Limited (ASX: ACW) (**Actinogen** or the **Company**) is pleased to announce that it has received an offer from an Australian financial services licensee to purchase all less than marketable parcels of shares in the Company for \$0.0645 per share (**Offer**).

A less than “marketable parcel” (defined in the ASX Listing Rules as a parcel of shares with a market value of less than \$500) will be any shareholding of 8,928 shares or less (**Less Than Marketable Parcel**) on the record date. The record date for the purposes of establishing holders of Less Than Marketable Parcels has been set at close of trade on 15 August, 2016 (**Record Date**).

As at the Record Date, over 515 of the Company's approximately 1,864 shareholders held Less Than Marketable Parcels, making up approximately 0.34% of the Company's fully paid ordinary shares on issue.

The price that holders of Less Than Marketable Parcels will receive under the Offer is \$0.0645 per share, such price being equal to the simple average of the last sale prices of the Company's shares for each of the ten trading days immediately preceding the date of the Offer. Holders of Less Than Marketable Parcels (determined as at the Record Date) who do not elect to retain their shareholding will their shares in the Company pursuant to the Offer without having to use a broker or pay a brokerage. The Company will organise payment of all the costs of sale for those shareholders who take advantage of the Offer (although tax consequences from the sale will be the shareholder's responsibility).

A summary of the key dates in relation to the Less Than Marketable Parcel sale are as follows:

Event	Date
Less Than Marketable Parcel Record Date	15 August 2016
Offer to purchase Less Than Marketable Parcels	16 August 2016
Less Than Marketable Parcel announcement to ASX	16 August 2016
Letters sent to holders holding Less Than Marketable Parcels	19 August 2016
Closing Date for receipt of share retention and electronic funds transfer / charity nomination form	5 October 2016

Attached is a copy of the following documents which will be dispatched to holders of Less Than Marketable Parcels on the Record Date:

- letter to holders;
- share retention form; and
- electronic funds transfer / charity nomination form.

If you have any questions in relation to the Offer, please call your broker, accountant or professional adviser. If you require information on how to complete the share retention or charity nomination form, please contact the Link Market Services Information Line on 1300 847 879 (+61 1300 847 879 from outside Australia) from 8.30am to 5.30pm (AEST), Monday to Friday.

Ends

FURTHER INFORMATION

Shareholders/Investors:

Link Market Services

Tel: 1300 847 879 (+61 1300 847 879 from outside Australia)

Email: registars@linkmarketservices.com.au

About Actinogen Medical

Actinogen Medical is focused on an innovative approach, through the inhibition of cortisol production, for treating cognitive impairment in chronic neurodegenerative and metabolic diseases. The lead candidate drug Xanamem™, blocks the development of cortisol which appears to be associated with cognitive impairment and the development of amyloid plaques and neural death in the brain – the hallmarks of Alzheimer’s disease. In 2016 the Company initiated XanADu, a Phase II efficacy and safety trial in mild Alzheimer’s disease.



19 August 2016

Dear Shareholder

Sale of Your Less Than Marketable Parcel of Shares

I am writing to advise you that Actinogen Medical Limited (**Actinogen** or the **Company**) has received an offer from an Australian financial services licensee to purchase all less than marketable parcels of shares in the Company for \$0.0645 per share (**Offer**).

A less than "marketable parcel" (defined in the ASX Listing Rules as a parcel of shares with a market value of less than \$500) will be any shareholding of 8,928 shares or less (**Less Than Marketable Parcel**) on the record date. The record date for the purposes of establishing holders of Less Than Marketable Parcels has been set at close of trade on 15 August, 2016 (**Record Date**).

As at the Record Date, over 515 of the Company's approximately 1,864 shareholders held Less Than Marketable Parcels, making up approximately 0.34% of the Company's fully paid ordinary shares on issue. Our records show that you held a Less Than Marketable Parcel based on the Company's share price of \$0.056 as at close of trade on the Record Date and accordingly your shareholding is eligible to participate in the Offer.

The price that holders of Less Than Marketable Parcels will receive under the Offer is \$0.0645 per share, such price being equal to the simple average of the last sale prices of the Company's shares for each of the ten trading days immediately preceding the date of the Offer. Holders of Less Than Marketable Parcels (determined as at the Record Date) who do not elect to retain their shareholding will sell their shares in the Company pursuant to the Offer without having to use a broker or pay a brokerage. The Company will organise payment of all the costs of sale for those shareholders who take advantage of the Offer (although tax consequences from the sale will be the shareholder's responsibility).

Unless you advise the Company that you do NOT wish to sell your shares by 5:00pm (AEST) on 5 October, the Company is authorised to sell your shares pursuant to the Offer in accordance with Clause 3 of the Company's Constitution and the ASX Listing Rules. Payment will be sent to you as soon as is practicable following settlement of the sale.

1. If you do NOT wish to sell your Less Than Marketable Parcel pursuant to the Offer

If you wish to retain your existing holding then you must either:

- (a) correctly complete and return the attached share retention form (**Share Retention Form**) to the address on the form so that it is received by 5:00pm (AEST) on 5 October (**Closing Date**);
- (b) arrange to have multiple holdings consolidated into one holding which has 8,929 or more of shares in the Company on the Closing Date; or

- (c) make your own arrangements to purchase additional shares in the Company so that you are the registered holder of 8,929 or more of shares on the Closing Date.

If you successfully take one of these steps, the Company will not be entitled to sell your shares. Please read the instructions on your personalised Share Retention Form carefully before completing it.

2. If you WANT to sell your Less Than Marketable Parcel pursuant to the Offer

If you wish to sell your Less Than Marketable Parcel pursuant to the Offer you do not need to take any action unless you wish to do either of the following:

- (a) receive payment of the proceeds of the sale by electronic funds transfer; or
- (b) elect that the proceeds of the sale of your shares pursuant to the Offer be donated to the charity chosen by the Company – Alzheimer’s Australia Dementia Research Foundation.

By refraining from taking any action, after the expiration of the time prescribed in the ASX Listing Rules and the Company’s Constitution, you will be deemed to have irrevocably appointed the Company as your agent:

- (a) to sell all of your shares pursuant to the Offer and without any cost being incurred by you;
- (b) to deal with the proceeds of the sale as set out below; and
- (c) where all of your shares are CHESS approved securities (in accordance with the Company's Constitution) held in uncertificated form, to initiate a Holding Adjustment (as defined in the ASX Operating Rules) to move your shares from the CHESS Holding (as defined in the ASX Operating Rules) to an Issuer Sponsored or Certificated Holding (as defined in the ASX Operating Rules) for the sale of your securities.

Payment will be sent to you as soon as is practical following settlement of the sale pursuant to the Offer. Payment will be made in Australian dollars by cheque mailed to your address in the share register (or in the case of joint holders, to the address of the holder whose name is shown first in the share register), unless you elect to receive payment via electronic funds transfer. In the case where your whereabouts are unknown, the proceeds of the sale will be applied in accordance with the applicable laws dealing with unclaimed moneys.

If you wish to elect to receive payment by electronic funds transfer or elect that payment of the proceeds from the sale of your shares pursuant to the Offer be donated to Alzheimer’s Australia Dementia Research Foundation, you must complete and return the attached electronic funds transfer / charity nomination form to the address on the form so that it is received **by 5:00pm (AEST) on 5 October**. Please read the instructions on your personalised electronic funds transfer / charity nomination form carefully before completing it.

3. Important information

The Company reserves the right to change any of the dates referred to in this letter by notice to the ASX. This letter does not constitute advice nor a recommendation to buy, sell or hold shares nor that the Offer is the best way to sell the Company's shares. If you are in any doubt about what to do, you should consult your legal, financial or taxation adviser.

The price that you will receive for your shares under the Offer is \$0.0645 per share, such price being equal to the simple average of the last sale prices of the Company's shares for each of the ten trading days immediately preceding the date of the Offer. The last sale price of the Company's shares on 15 August

was A\$0.056. The share price changes frequently and more recent prices are available in newspapers and from the ASX website (www.asx.com.au) under the ASX code 'ACW'.

As you have a Less Than Marketable Parcel as at the Record Date, then unless you take one of the steps outlined in section 1 of this letter, the Company will be entitled to sell your shares pursuant to the Offer.

If you currently have more than one holding on the Company's share register, you may wish to consider amalgamating them before the Closing Date. This may result in your amalgamated holding no longer being a Less Than Marketable Parcel. Under these circumstances your shares will not be sold pursuant to the Offer.

If you need help deciding what to do, or if you require information regarding the financial, legal or tax consequences of selling your shares pursuant to the Offer you should consult your legal, financial or taxation adviser. You can also contact the Link Market Services Information Line on 1300 847 879 (+61 1300 847 879 from outside Australia) from 8.30am to 5.30pm (AEST), Monday to Friday, if you have any queries about lodging your form or the Offer.

Yours sincerely

Peter Webse
Company Secretary
On behalf of the Board