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22 December 2015

## **NON- RENOUNCEABLE PRO-RATA ENTITLEMENT OFFER – CLOSURE, ACCEPTANCES AND SHORTFALL**

Following a placement of \$298,820 to two of the Company's major shareholders in September 2015, BioDiem Limited ("BioDiem" or "the Company") undertook a 1 for 18 Non-Renounceable Pro-rata Entitlement Offer which closed at 5.00pm AEDST on Monday 14 December 2015. BioDiem advises that it received valid applications under the Entitlement Offer for 1,117,166 million new shares from shareholders, including a number of shareholders, and non-shareholders applying for additional new shares, leaving a shortfall and an undersubscription of 4,475,316 million shares (\$358,025). Approximately \$200,000 of this shortfall will be taken up by two of the major shareholders as disclosed in the Entitlement Offer Prospectus (see below).

Applications have been received for the number of shares set out in the table below for a total subscription amount of \$89,373.36.

	<b>Shares</b>
<b>Offered under the Rights Issue</b>	5,592,482
<b>Acceptance of entitlements</b>	471,844
<b>Applications for additional shares</b>	645,322
<b>Undersubscriptions</b>	4,475,316

Under the terms of the Entitlement Offer, shareholders could, in addition to taking up their entitlement in full, apply for additional shares from those entitlements not taken up by shareholders under the issue (shortfall shares). Under the terms of the Entitlement Offer, Non-shareholders resident in Australia could also participate in applying for shortfall shares.

The Company is also pleased to advise that as disclosed in the Entitlement Offer Prospectus, Sir David Li and Charnock (major shareholders of the Company) intend to apply for shortfall shares up to the number of shares which would have been issued to Brezzo (one of the Company's major shareholders) if it had taken up its entitlement in full. The Company advises that these additional shortfall applications will amount to approximately \$200,000 (2,500,000 shares at \$0.08).

If the intended 2,500,000 shortfall shares as described above are taken up by Sir David Li and Charnock amounting to \$200,000, the balance of the shortfall shares available after this take-up will be 1,975,316 (\$158,025).

The Company would like to extend an invitation to shareholders, and non-shareholders resident in Australia to participate in applying for these remaining shortfall shares under the Non-Renounceable Entitlement Offer Prospectus. A shortfall application form can be obtained by email to [sross@biodiem.com](mailto:sross@biodiem.com).

The Company will announce further information regarding the allocation of shortfall shares in due course.

The rights issue was not underwritten. The anticipated date for despatch of confirmation of the issue of new shares is 28 December 2015.

BioDiem would like to thank its shareholders for the support they have shown throughout the entitlement offer.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Julie Phillips', written over a large, faint, circular watermark or background mark.

**Julie Phillips**

**Chief Executive Officer**

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