

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

KNEOMEDIA LIMITED

ABN

41 009 221 783

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares (Shares) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 57,777,777 Shares |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The Shares are of the same class and rank equally with all other shares on issue. |
| 4 | Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
If the additional +securities do not rank equally, please state: <ul style="list-style-type: none">• the date from which they do | The Shares are of the same class and rank equally with all other shares on issue. |

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<ul style="list-style-type: none"> • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	
<p>5 Issue price or consideration</p>	<ul style="list-style-type: none"> ▪ 55,555,555 Shares are issued at an issue price of \$0.0225 per Share to professional and sophisticated investors under a placement to raise \$1.25 million. ▪ 2,222,222 Shares are issued in lieu of fees for services provided to the Company by a professional adviser, at a deemed issue price of \$0.0225 per Share.
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>55,555,555 Shares were issued under a capital raising placement to raise total funds of \$1.25 million (before costs). The funds raised have been applied to redeem three existing convertible notes on issue, with the balance of funds to be used for general working capital purposes.</p> <p>2,222,222 Shares were issued in lieu of fees for services provided to the Company.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>15 December 2014</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>2,222,222 Shares</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>10,555,555 Shares</p>
<p>6e Number of +securities issued with security holder approval</p>	<p>45,000,000 Shares (approved at Extraordinary General Meeting on 28 May 2015)</p>

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	under rule 7.3, or another specific security holder approval (specify date of meeting)									
6f	Number of +securities issued under an exception in rule 7.2	N/A								
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes, the issue price of the securities issued is at least 75% of the 15 day VWAP. The issue date is 26 June 2015. The VWAP as calculated under rule 7.1A.3 is \$0.027 and the issue price is \$0.0225, and so the issue price is greater than 75% of the 15 day VWAP. The VWAP calculation was performed internally.								
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A								
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	See Annexure 1								
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	26 June 2015								
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>171,851,370</td> <td>Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	171,851,370	Fully paid ordinary shares				
Number	+Class									
171,851,370	Fully paid ordinary shares									
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>43</td> <td>Convertible Notes</td> </tr> <tr> <td>6,666,667</td> <td>Options exercisable at \$0.03 on or before 28 February 2016</td> </tr> <tr> <td>4,670,000</td> <td>Options exercisable at \$0.06 on or before 3 October 2015</td> </tr> </tbody> </table>	Number	+Class	43	Convertible Notes	6,666,667	Options exercisable at \$0.03 on or before 28 February 2016	4,670,000	Options exercisable at \$0.06 on or before 3 October 2015
Number	+Class									
43	Convertible Notes									
6,666,667	Options exercisable at \$0.03 on or before 28 February 2016									
4,670,000	Options exercisable at \$0.06 on or before 3 October 2015									

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3,333,332	Options exercisable at \$0.06 on or before 31 October 2015
1,166,666	Options exercisable at \$0.06 on or before 31 March 2016
9,999,999	Options exercisable at \$0.03 on or before 31 March 2016
15,185,185	Options exercisable at \$0.045 on or before 26 June 2018
2,966,667	Performance Rights

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) Rank equally

Part 2 - Pro rata issue

11 Is security holder approval required? N/A

12 Is the issue renounceable or non-renounceable? N/A

13 Ratio in which the +securities will be offered N/A

14 +Class of +securities to which the offer relates N/A

15 +Record date to determine entitlements N/A

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? N/A

17 Policy for deciding entitlements in relation to fractions N/A

18 Names of countries in which the entity has security holders who will not be sent new offer documents N/A

Note: Security holders must be told how their entitlements are to be dealt with.
 Cross reference: rule 7.7.

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19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by	N/A

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sale through a broker)?

33 +Issue date

N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1*

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which
+quotation is sought

N/A

39 +Class of +securities for which
quotation is sought

N/A

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

N/A

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	N/A	N/A

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Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



SOPHIE KARZIS
Company Secretary
26 June 2015

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	2,663,122,932 fully paid ordinary shares (pre-consolidation)
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<ul style="list-style-type: none"> ▪ 108,200,000 shares issued on 30 July 2014 (pre-consolidation) ▪ 53,553,100 shares issued on 30 January 2015 (pre-consolidation) ▪ 27,500,000 shares issued on 12 March 2015 (pre-consolidation) <p><i>*On 11 June 2015, the Company consolidated its 2,852,376,032 shares on issue into 95,079,251 shares</i></p> <ul style="list-style-type: none"> ▪ 5,142,490 shares issued on 26 June 2015 ▪ 45,000,000 shares issued on 26 June 2015 <p>N/A</p>
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	145,221,741
Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>

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<i>Multiply</i> “A” by 0.15	21,783,261
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p><i>Insert</i> number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<ul style="list-style-type: none"> ▪ 13,851,852 shares issued on 26 June 2015 ▪ 2,222,222 shares issued on 26 June 2015
“C”	16,074,074
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	21,783,261
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	16,074,074
Total [“A” x 0.15] – “C”	5,709,187 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	145,221,741
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	14,522,174
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	10,555,555 shares issued on 26 June 2015
“E”	10,555,555
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	14,522,174
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	10,555,555
Total [“A” x 0.10] – “E”	3,966,619 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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ADDITIONAL INFORMATION REQUIRED UNDER ASX LISTING RULE 3.10.5A

Kneomedia Limited provides the following information as required under ASX Listing Rule 3.10.5A as follows:

- (a) Dilution to existing shareholders as a result of the shares issued pursuant to the placement under Listing Rule 7.1A (10,555,555 shares) is 6.14%.
- (b) The Company issued the shares under a placement to various professional and sophisticated investors introduced to the Company by the lead manager to the placement as it was considered to be an efficient and expedient manner to raise further funds for financing the Company's general working capital requirements.
- (c) No underwriting arrangements were entered into in relation to the placement.
- (d) A placement fee of 8% of the total capital raised under the placement (\$1.25 million) is payable by the Company to the lead manager of the placement; the Company has issued 2,222,222 shares (the subject of this Appendix 3B) in lieu of 50% of the placement fees.