

11 December 2018

Dear Shareholder

Notification to eligible shareholders of Entitlement Offer

Medibio Limited (**Company**) has announced to ASX Limited (**ASX**) a pro-rata non-renounceable entitlement offer on the basis of one (1) fully paid ordinary share (**New Shares**) for every one (1) existing share held by Shareholders registered at 7.00pm (AEDT) on 13 December 2018 at an issue price of \$0.02 (2 cents) (**Entitlement Offer**).

The Entitlement Offer seeks to raise approximately \$4.05 million.

The Entitlement Offer is being made without a prospectus in accordance with section 708AA of the *Corporations Act 2001* (Cth).

The net proceeds of the Entitlement Offer will be used to fund the costs of the Entitlement Offer, advance its 510(k) regulatory approval, progress its De Novo submission, technology development, product commercialisation and for the Company's working capital requirements.

Entitlement Offer

The Entitlement Offer is being made to Eligible Shareholders (as defined below) on the basis of 1 New Share for every 1 existing share held in the Company (**Entitlement**) as at 7.00 pm (AEDT) on 13 December 2018 (**Record Date**).

Eligible Shareholders will be able to take up their Entitlement as well as apply for additional New Shares. Further details about the Entitlement Offer are set out in the Offer Booklet which will be made available on ASX's website in the coming days.

Shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) are those who:

- (a) are registered as the holder of shares in the Company as at 7.00 pm (AEDT) on the Record Date;
- (b) have a registered address on the share register of the Company in Australia, New Zealand or Hong Kong;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States; and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Our records indicate that you are an Eligible Shareholder.

The Offer Booklet

The purpose of this letter is to provide you with advance notice of some of the key concepts and terms of the Entitlement Offer. The full details of the Entitlement Offer are contained in the Offer Booklet, which will be despatched to Eligible Shareholders on or around 18 December 2018 and will be available at the ASX website, accessible from the following link <http://www.asx.com.au/>

As an Eligible Shareholder, on or around 18 December 2018, you will be mailed an Offer Booklet, together with an Entitlement and acceptance form which contains the full details of your Entitlement. You should read the Offer Booklet clearly and in its entirety before deciding whether to participate in the Entitlement Offer.

Indicative Timetable for Eligible Shareholders

Event	Date
Announcement of Entitlement Offer	10 December 2018
"Ex" date (date from which securities commence trading without the entitlement to participate in the Offer)	12 December 2018
Record Date for the Entitlement Offer on 7pm (AEDT)	13 December 2018
Despatch of Information Booklet and Entitlement and Acceptance Form to Eligible Shareholders	18 December 2018
Entitlement Offer opens	18 December 2018
Entitlement Offer closes 5.00 pm (AEDT)	7 February 2019
Securities quoted on a deferred settlement basis	8 February 2019
ASX notified of under-subscriptions (if any)	12 February 2019
Issue of New Shares under Entitlement Offer and entry of New Shares into Shareholders' holdings	14 February 2019
End of trading of New Shares on a deferred settlement basis	
Mailing of Issuer and CHESS holding statements	
Normal trading of New Shares issued under the Entitlement Offer expected to commence on ASX	15 February 2019

**The above timetable is indicative only and subject to change. The quotation of New Shares is subject to ASX approval. Subject to the ASX Listing Rules and Corporations Act and other applicable laws, the Company reserves the right to vary these dates, without notice. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the New Shares.*

Further information

For further information on the Entitlement Offer you may call the Company on +61 3 9692 7222. You may wish to contact your stockbroker, accountant or other professional adviser should you have any queries regarding your eligibility.

On behalf of the Board and management of Medibio Limited, we thank you for your continued interest and support of the Company.

Yours faithfully,



Christopher Indermaur
Chairman

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This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The entitlements and the New Shares offered in the Entitlement Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 ("**U.S. Securities Act**") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by persons in the United States and the New Shares may not be offered or sold in the United States, unless they have been registered under the U.S. Securities Act or are offered or sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The New Shares to be offered and sold in the Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.