



ASX Announcement | 23 May 2014

Amendment to Company's Issued Share Capital

Freelancer Limited (ASX:FLN) (**Company**) today lodged an Appendix 3C in relation to the buy-back and cancellation of 700,000 fully paid ordinary shares in accordance with the terms of the Company's Employee Share Plan (**ESP**). The attached Appendix 3B is in relation to the issue of 1,050,000 fully paid ordinary shares to employees in accordance with the terms of the ESP.

200,000 ESP shares were issued at an issue price of \$1.14 and are not subject to vesting conditions other than those prescribed by the terms of the ESP.

850,000 ESP shares were issued at an issue price of \$1.14 and are subject to certain performance hurdles relating to the financial year ending 31 December 2014 in addition to the vesting conditions prescribed by the terms of the ESP.

The effect of these transactions on the Company's issued capital is as follows:

Previous number of shares on issue	437,200,000
ESP share buy-back and cancellation	(700,000)
Issue of ESP shares to employees	1,050,000
Number of shares on issue	437,550,000

There is no cash outlay by the Company for the issue and buy-back of the ESP shares. The loans from the Company to employees to fund the purchase of the ESP shares are satisfied by the return and cancellation of the shares. Loans made under the ESP involve no cash outlay by the Company.

For and on behalf of the Board.

Neil Katz

Company Secretary

About Freelancer

Quadruple Webby award-winning Freelancer.com is the world's largest freelancing and crowdsourcing marketplace by total number of users and projects posted. Over 11.8 million registered users have posted 5.9 million projects and contests to date in over 600 areas as diverse as website development, logo design, marketing, copywriting, astrophysics, aerospace engineering and manufacturing. Freelancer Limited is listed on the Australian Securities Exchange under the ticker ASX:FLN.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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

Freelancer Limited

ABN

66 141 959 042

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 | Ordinary |
| 2 | Number of *securities issued or to be issued (if known) or maximum number which may be issued | (1) 200,000
(2) 850,000 |
| 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) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

4	<p>Do the *securities rank equally in all respects from the *issue date with an existing *class of quoted *securities?</p> <p>If the additional *securities do not rank equally, please state:</p> <ul style="list-style-type: none"> 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 	Yes
5	Issue price or consideration	(1) \$1.14 per share (2) \$1.14 per share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Incentive shares issued to the Company's employees under the Company's Employee Share Plan
6a	<p>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>	No
6b	The date the security holder resolution under rule 7.1A was passed	Not applicable
6c	Number of *securities issued without security holder approval under rule 7.1	Not applicable
6d	Number of *securities issued with security holder approval under rule 7.1A	Not applicable
6e	Number of *securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable

+ See chapter 19 for defined terms.

6f	Number of *securities issued under an exception in rule 7.2	Not applicable					
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.	Not applicable					
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	Not applicable					
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	Not applicable					
7	<p>*Issue dates</p> <p><small>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.</small></p> <p><small>Cross reference: item 33 of Appendix 3B.</small></p>	<p>(1) 22 May 2014</p> <p>(2) 22 May 2014</p>					
8	Number and *class of all *securities quoted on ASX (<i>including</i> the *securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">Number</th> </tr> <tr> <td>436,500,000</td> </tr> </table>	Number	436,500,000	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">*Class</th> </tr> <tr> <td>Ordinary</td> </tr> </table>	*Class	Ordinary
Number							
436,500,000							
*Class							
Ordinary							

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

9	Number and *class of all *securities not quoted on ASX (including the *securities in section 2 if applicable)	Number	*Class
		1,050,000	Ordinary (subject to holding lock under Employee Share Plan)
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable	

Part 2 - Pro rata issue

Items 11 to 33 are not applicable.

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 at item (1) – 500,000 shares

(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)

Items 35 to 42 are not applicable.

+ See chapter 19 for defined terms.

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.

Sign here:


Company Secretary

Date: 22 May 2014

Print name:

Neil Katz

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