

ABN 89 122 203 196
Level 6,
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Xped Limited



20/06/2017

Dear Shareholder

Xped Limited ACN 122 203 196 – Bonus Options Offer - notice to security holders

Xped Limited (**Xped**) is pleased to announce a non-renounceable pro-rata offer of bonus options to eligible shareholders, on the basis of one bonus option for every two existing shares held on the record date of 22 June 2017, at an issue price of \$0.001 per bonus option (**Bonus Option**), to raise approximately \$570,000 before costs (**Bonus Option Offer**). Assuming no existing options on issue in the Company are exercised and none of the existing convertible securities are converted, approximately 576,436,319 Bonus Options will be offered under the Bonus Option Offer. The Bonus Option Offer is underwritten by Leadenhall Australia Pty Ltd.

As outlined above, the Bonus Option Offer will be available to all registered shareholders who hold shares at 7.00pm (AEST) 22 June 2017 (**Record Date**) with registered addresses in Australia and New Zealand (**Eligible Shareholders**).

In accordance with the Listing Rules of the ASX, Xped has considered the number of shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand and the size of the shareholdings held by those shareholders. Taking this into consideration, as well as the costs of complying with the legal requirements and the requirements of the regulatory authorities relating to the shareholders with registered addresses in various jurisdictions outside of Australia and New Zealand the Company has formed the view that it is unreasonable to extend the Bonus Option Offer to those shareholders. Accordingly, shareholders outside of Australia and New Zealand will not be entitled to participate in the Bonus Option Offer. As at the date of this letter, the Company has shareholders in Canada, Denmark, Hong Kong, India, Malaysia, Netherlands, Panama, Papua New Guinea, Singapore, South Africa, Sri Lanka, Switzerland, Taiwan, Province of China, Thailand, United Arab Emirates, United Kingdom and United States who will not be sent a copy of the Prospectus.

The purpose of the Bonus Option Offer is to reward Xped's loyal shareholders. Xped is pleased with and would like to thank shareholders for the support it has received during this early stage of the Company's development. There have been advances as well as delays and the Company's directors believe that these Bonus Options will reward shareholders for the patience as the Company continues to develop.

The Bonus Option Offer will raise up to approximately \$570,000 which will be used to pay for the costs of the Bonus Option Offer and for customer delivery, administration, and employment costs.

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A proposed timetable for the Bonus Option Offer is set out in the table below:

Event	Date
Announcement of Bonus Option Offer and lodge Appendix 3B	18 May 2017
Prospectus and notice to existing option holders lodged with ASX	19 June 2017
Notice to security holders containing information required by Appendix 3B	20 June 2017
Record Date (7:00pm AEST)	22 June 2017
Despatch Prospectus and Entitlement and Acceptance Form to shareholders	27 June 2017
Opening date of Bonus Option Offer (9:00am AEST)	27 June 2017
Closing date of Bonus Option Offer (5:00pm AEST)	11 July 2017
Notification of shortfall	14 July 2017
Issue of Bonus Options (excluding under Shortfall Offer)	18 July 2017
Despatch of new holding statements for Bonus Options (excluding under Shortfall Offer)	21 July 2017
Closing date of the Shortfall Offer (5.00pm AEST)	21 July 2017
Trading commences for Bonus Options (excluding under Shortfall Offer)	24 July 2017
Issue of Bonus Options under Shortfall Offer	25 July 2017
Despatch of new holding statements for Bonus Options under Shortfall Offer	27 July 2017
Trading commences for Bonus Options under Shortfall Offer	28 July 2017

This timetable is indicative only and may be subject to change subject to the requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**) and the ASX Listing Rules.

The Bonus Option Offer is being made pursuant to a Prospectus which has been lodged with ASIC and ASX on 19 June 2017 and is available on the Company's website www.xped.com and the ASX website. A copy of the Prospectus together with a personalised Entitlement and Acceptance Form will be sent to all Eligible Shareholders on 27 June 2017.

Further information

The Company anticipates that, approximately 576,436,319 Bonus Options will be issued. This assumes no existing options are exercised and that there are no conversions of the existing convertible securities on issue in the Company. The Bonus Options will be issued for \$0.001 each and will be exercisable for \$0.04 each and will expire on 18 January 2018.

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Upon completion of the Bonus Option Offer, and assuming it is fully subscribed and that existing option holders do not exercise their options and that none of the existing convertible securities are converted, the issued capital of Xped will comprise approximately:

Type of Security	Code	Number	Details
Ordinary fully paid shares	XPE	899,331,783	
Fully paid ordinary shares (subject to voluntary escrow)		5,000,000	
Fully paid ordinary shares (subject to ASX escrow)		248,540,855	
Listed options	XPEOC	102,254,564	Exercisable at \$0.10 with an expiry date of 31 December 2018
Bonus Options	XPEO	576,436,319	Exercisable at \$0.04 with an expiry date of 13 January 2018
Unlisted options		15,000,000	Exercisable at \$0.10 with an expiry date of 7 September 2017
Unlisted options		3,750,000	Exercisable at \$0.14 each with an expiry date of 24 months from the date of allotment
Unlisted options		3,750,000	Exercisable at \$0.18 each with an expiry date of 24 months from the date of allotment
Unlisted options		3,750,000	Exercisable at \$0.22 each with an expiry date of 24 months from the date of allotment
Unlisted options		3,750,000	Exercisable at \$0.26 each with an expiry date of 24 months from the date of allotment
Convertible security		1	Tranche 1A which expires 36 months after issue
Convertible security		1	Tranche 1B which expires 36 months after issue

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The Bonus Options will be a new class of listed options. The Bonus Options once exercised will rank pari passu with the ordinary shares of the Company at the time of exercise. If an eligible shareholder's entitlement results in a fraction of a Bonus Option, the shareholder's entitlement will be rounded to the nearest whole number. There will be no change to the dividend policy of the Company as a result of the Bonus Option Offer. Shareholder approval is not required to undertake the Bonus Option Offer.

As set out above, the Company has appointed an underwriter to the Bonus Option Offer, Leadenhall Australia Pty Ltd (**Underwriter**). The Underwriter will receive an underwriting fee of 6% of funds raised from the issue of Bonus Options (being a maximum of \$34,586).

Xped invites all eligible shareholders to consider the investment opportunity of the Bonus Option Offer and looks forward to your continued support as a shareholder.

Yours faithfully

Athan Lekkas
Executive Chairman & CEO
Xped Limited