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MEDIA RELEASE:

RHINOMED ADDS US BASED CORNERSTONE INVESTORS AND INITIATES CAPITAL MANAGEMENT PROGRAM

KEY HIGHLIGHTS:

- **Undertakes \$2.19m private placement to US based Cornerstone investors**
- **Proposed restructuring of capital through a consolidation on a 1 new share for every 10 shares held basis and the introduction of a Less than Marketable Share Parcel Facility**

15 March, 2017 Melbourne, Australia.

Rhinomed Limited (ASX:RNO) is pleased to advise it has undertaken a AUD\$2.19 million private placement to two US based sophisticated investor groups as part of its 15% placement capacity. In addition, the company has flagged its intention to hold a General Meeting to approve a capital management initiative that will seek to consolidate the company's capital and provide a sale of less than marketable share parcels facility.

The placement of 105,135,000 shares will be issued to Mr Whitney George, a current US based sophisticated investor, who has now increased his stake to 17.73% of the company. A further 17,000,000 shares will be issued to one other US based investor group.

The issue price of the placement is 1.8 cents per share which represents a 6% premium to Rhinomed's closing share price of 1.7 cents on the 14th of March and a 16% premium to Rhinomed's 20 day VWAP. All new placement shares will be issued subject to lodgement of a cleansing prospectus by the Company to facilitate secondary trading of shares issued pursuant to the placement.

The capital management initiative seeks to position Rhinomed with international investors through a consolidation of its 936 million issued securities (post the 1.8c placement) to 93.6 million. This is a consolidation of one share for every ten shares held.

The company is also proposing a change to its constitution to allow the sale of less than marketable share parcels, which incur significant administrative costs for the company. This will provide the opportunity for investors with small holdings to easily dispose of their shares in a cost effective manner.

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“The strong vote of confidence in the company and its strategy from our cornerstone investors and the capital management initiatives we are introducing sends a clear signal about the direction of Rhinomed. The company is steadily building a compelling strategic position in the global sleep and respiratory markets and an exciting brand presence in the USA. We look forward to sharing an exciting 2017/18 with our shareholders.” said Chairman, Ron Dewhurst.

Further details will be included in a Notice of General Meeting that will be despatched to investors following approval from the ASX.

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About Rhinomed Limited (ASX: RNO)

Rhinomed Limited is a Melbourne based technology firm with a focus on nasal, respiratory and breathing management technologies. The company is seeking to monetise applications of its technology portfolio in the Sport, Sleep, Wellbeing and Drug Delivery markets. For more information go to www.rhinomed.global