
NON-RENOUNCEABLE RIGHTS ISSUE

ANNOUNCEMENT

14 JULY 2009

Vortex Pipes Limited (ASX: VTX) ("Vortex" or "Company") is pleased to announce a non-renounceable pro-rata rights issue of fully paid ordinary shares in Vortex to existing shareholders to raise up to approximately \$1.14 million before issue costs ("Rights Issue"). Lead Manager to the Rights Issue is Indian Ocean Capital Pty Ltd.

The Rights Issue is being made at an issue price of \$0.03 per share on the basis of one (1) new share for every two (2) shares held at the Record Date (22 July 2009). The pricing of the Rights Issue has been set at \$0.03 to provide an incentive for all shareholders to participate in the capital raising. It is intended to apply the proceeds from the Rights Issue towards supplementing the Company's working capital.

Despite the difficult trading and economic conditions which are well known, Vortex has made significant progress in developing its business and its various technologies. The Board is now confident that Vortex is now poised to move forward on its various business endeavours and IP development. All Board members have stated their intention to subscribe fully for their rights entitlement.

In summary an update on Vortex's business:

- **GRE Pipes:** Vortex is the exclusive Australian distributor for FiberGlass Systems GRE (Glass Reinforced Epoxy) Pipes (www.smithfibercast.com). It has been working with its partner, FiberGlass Systems, and submitted tenders on various pipe supply projects. Those projects are now reaching the point where we expect to see final investment decisions being made and contracts confirmed. Whilst no assurance to success can be provided, Vortex is confident that it will be successful in being awarded some of these contracts;
- **ShieldLiner:** Vortex has now successfully completed its stated development program on the ShieldLiner technology. In 2005, the ShieldLiner technology was awarded the Best New Product Category from the International Society of Trenchless Technology. The "commercial ready" development program has been going since July 2006 and was funded by Vortex and a \$1.28m Commercial Ready grant from the Federal Government. A final in-ground test will conclude the testing regime and this is expected to be completed shortly. With the program's successful conclusion, Vortex is now approaching parties who have previously shown interest in commercialising or buying the ShieldLiner technology;
- **QuickPipes:** Vortex has completed the initial test work and scoping studies on its Quickpipes technology. An initial White Paper and program development milestones will be published shortly. Based on the initial sample composite pipes produced, Vortex has received very positive feedback from various industry participants and this is reflected in the forthcoming White Paper; and
- **Pipe Re-lining:** Vortex previously announced that it was awarded work on a relining job for the Water Corporation of WA. Vortex believes that its UV light curing technology together with the Saertex multiCom fibreglass and resin lining product is superior in quality to other solutions available in Australia. Vortex believes that a successful installation will provide it with a reference site to show Water Corp and other Australian water utilities the benefits of this technology and the technical and economic benefits of the Saertex technology.

Key terms of the offer are set out below. Full details of the offer will be contained in the Rights Offer Document which will be lodged with the ASX on or about 24 July 2009.

Key Terms

Nature of offer	Pro-rata non-renounceable Rights Issue of new shares
New share issue price	\$0.03 per new share
Offer ratio	1 new share for every 2 existing shares held on Record Date
Number of new shares to be issued	Up to approximately 37,908,106 new shares
Amount to be raised under the Rights Issue	Up to approximately \$1.14 million before issue costs
Minimum Subscription	\$210,000 (7 million new shares)
Lead Manager to the Rights Issue	Indian Ocean Capital Pty Ltd ("IOC")

Key Dates

The key dates for the Rights Issue are set out below. The dates are indicative only and Vortex reserves the right to vary them, subject to the Corporations Act 2001 ("Act") and the ASX Listing Rules.

Announcement of Rights Issue and lodgement of Cleansing Statement with ASX	14 July 2009
Notice of Rights Issue sent to shareholders	15 July 2009
Existing shares quoted ex-rights	16 July 2009
RECORD DATE to identify shareholders entitled to participate in Rights Issue	22 July 2009
Letter of Offer and Entitlement and Acceptance Form mailing date	24 July 2009
ACCEPTANCES CLOSE ("Closing Date")	17 August 2009
Allotment of new shares and dispatch of Holding Statements to Shareholders	21 August 2009

There will be no deferred settlement of the sale of shares offered under the Rights Issue. Trading in shares will commence on the first business day following the dispatch of the holding statements.

Eligible Shareholders

All shareholders whose registered address is in Australia are eligible to participate. Shareholders resident outside of Australia should consult their professional advisers as to whether any governmental or other consent is required, or other formalities need to be observed to enable them to accept their entitlements.

The Rights Offer Document together with an Entitlement and Acceptance Form will be mailed to all eligible shareholders on or about 24 July 2009.

Information provided in relation to the Rights Issue

The Rights Issue is being made without disclosure to investors under Part 6D.2 of the Act, in accordance with Section 708AA of the Act.

Shareholders will not receive a prospectus in relation to the Rights Issue but will receive a written invitation providing details on how to take up their entitlement under the Offer. Any decision to acquire new shares should only be made after making independent enquiries and consulting relevant professional advisers. Shareholders should have regard to publicly available information about Vortex before deciding whether or not to acquire new shares.

Copies of the Company's announcements to ASX can be obtained from its website www.vortexpipes.com or from the ASX website www.asx.com.au. The Company's ASX code is VTX.

If a shortfall remains after shareholders have taken up their entitlements, the Directors reserve the right pursuant to Listing Rule 7.2 (exception 3) to place any shortfall with parties selected by them. The Directors intend to place any shortfall through the Lead Manager of the Rights Issue.

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New shares, once issued, will rank equally with the Company's existing shares.

The rights and obligations attached to shares in the Company are set out in Vortex's Constitution, which may be examined free of charge by appointment during business hours at the Company's offices at 2 Bell Street, Canning Vale, WA.

Capital Structure on completion of the Offer

The following table shows the proposed capital structure of the Company upon completion of the Rights Issue, and on the attainment of Minimum Subscription. The precise number of new shares to be issued may vary and will be dependent on the number of eligible shareholders and their entitlements, the level of acceptances under the Rights Issue and the success of the directors in placing some or all of the shortfall.

	Full Subscription	Minimum Subscription
Existing shares on issue at date of this announcement	75,816,212	75,816,212
Number of new shares to be issued under the Rights Issue	37,908,106	7,000,000
Total shares on issue after completion of the Offer	113,724,318	82,816,212
Options to acquire shares on issue at the date of this announcement	2,270,000	2,270,000

If you have any questions in relation to the Rights Issue, please do not hesitate to contact the Company Secretary, Rob Cameron-Wilton, on (08) 9456 1002.

For and on behalf of
Vortex Pipes Limited

Mark Jenkins
Chairman

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 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

VORTEX PIPES LIMITED

ABN

80 096 870 978

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 fully paid shares. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to approximately 37,908,106 shares. |
| 3 | Principal terms of the +securities (eg, 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) | Ordinary fully paid shares. |

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Appendix 3B
New issue announcement

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<p>4 Do the ⁺securities rank equally in all respects from the date of allotment 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 	<p>Yes, with existing issued ordinary shares.</p>				
<p>5 Issue price or consideration</p>	<p>\$0.03 per share</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To supplement the Company's existing working capital</p>				
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>On or around 21 August 2009.</p>				
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1422 989 1478">Number</th> <th data-bbox="989 1422 1283 1478">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1478 989 1630">Up to approximately 113,724,318</td> <td data-bbox="989 1478 1283 1630">Ordinary fully paid shares.</td> </tr> </tbody> </table>	Number	⁺ Class	Up to approximately 113,724,318	Ordinary fully paid shares.
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9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	⁺ Class
		2,270,000	Unlisted options.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not Applicable	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the ⁺ securities will be offered	One new share for every two shares held
14	⁺ Class of ⁺ securities to which the offer relates	Ordinary fully paid shares
15	⁺ Record date to determine entitlements	22 July 2009
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Rounded up to the next whole number
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	None
19	Closing date for receipt of acceptances or renunciations	17 August 2009

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Appendix 3B
New issue announcement

20	Names of any underwriters	Not Applicable
21	Amount of any underwriting fee or commission	Not Applicable.
22	Names of any brokers to the issue	Lead Manager to the Rights Issue: Indian Ocean Capital Pty Ltd
23	Fee or commission payable to the broker to the issue	5% of gross amount raised under the Rights Issue
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	Not Applicable
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	Not Applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	24 July 2009
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	14 July 2009
28	Date rights trading will begin (if applicable)	Not Applicable
29	Date rights trading will end (if applicable)	Not Applicable
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	Not Applicable.
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not Applicable.
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	Not Applicable.

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33 +Despatch date

21 August 2009

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)

Questions 38 to 42 - Not Applicable

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Appendix 3B
New issue announcement

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 not available now, 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: Date: **14 July 2009**
(Company Secretary)

Print name: **Robert Cameron-Wilton**

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