

ATW HOLDINGS LIMITED

25 May 2012

Manager of Company Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

By E-lodgement

1 FOR 1 ENTITLEMENT OFFER OF FULLY PAID ORDINARY SHARES

The Directors of ATW Holdings Limited (**ATW** or the **Company**) are pleased to announce a 1 for 1 non-renounceable pro-rata entitlement offer (**Entitlement Offer**) of 141,814,736 new fully paid ordinary shares in ATW (**New Shares**) at A\$0.001 per New Share to raise up to approximately A\$141,815.

The purpose of the Entitlement Offer is to meet routine expenses and costs associated with the Fitgenes and Medec transactions previously announced to the market, together with costs associated with a proposed share consolidation together with costs associated with the Company re-complying with Chapter 1 and 2 of the ASX Listing Rules which will require the issue of a retail prospectus.

KEY TERMS

Nature of offer	Non-renounceable pro-rata Entitlement Offer of up to 141,814,736 New Shares
New Share issue price	A\$0.001 per New Share
Offer ratio	1 New Share for every 1 Existing Share held on the Record Date
Number of New Shares to be issued	Up to 141,814,736
Amount to be raised under the Entitlement Issue	Up to approximately A\$141,815

The Entitlement Offer is available only to eligible shareholders, being holders of Shares who:

- are registered as a holder of Shares as at 5:00pm AWST on Monday, 4 June 2012 (the Record Date)
- have a registered address in Australia or New Zealand, or otherwise meet one of the exceptions noted under a foreign jurisdiction in 'Appendix A – Foreign jurisdictions' of the Entitlement Offer booklet
- are not in the United States and are not a U.S. Person, and are not acting for the account or benefit of any U.S. Person
- are not an Ineligible Shareholder as defined in the Entitlement Offer booklet, and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer

(Eligible Shareholders)

The Company reserves the right to extend the Entitlement Offer into other jurisdictions (such as Singapore, Hong Kong, United Kingdom and European Economic Area (Germany)) in its absolute discretion.

ATW HOLDINGS LIMITED

ACN 100 531 191

c/o Cimetta and Associates, 10 Bowman Street, South Perth 6151 Western Australia

Tel: +61 8 9474 2047, Fax: +61 8 9474 4886

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All eligible shareholders recorded on ATW's share register at 5:00pm Perth time (AWST) on 4 June 2012 will be offered 1 New Share for every 1 Share held, at an issue price of A\$0.001 per New Share. This price is a significant discount to the underlying value noted in the independent expert's report announced on 2 April 2012. As the entitlement is one-for-one, there is no provision for rounding.

There is no minimum subscription in respect of the Entitlement Offer.

Underwriting

ATW has entered into an underwriting agreement with Mr A Rajah S/O Retnam who has agreed to underwrite A\$120,000 of the Entitlement Offer (**Underwriting Agreement**). The Underwriter will be remunerated with a nominal fee of A\$100 by ATW for underwriting the Entitlement Offer.

Shortfall Offer

As participation in the Entitlement Offer is at the discretion of, and only available to, Eligible Shareholders, some New Shares will not be subscribed for under the Offer, including:

- pro-rata entitlements to New Shares in respect of Ineligible Shareholders
- New Shares available to Eligible Shareholders which are not applied for and paid for by the Closing Date

Such New Shares will be offered to Eligible Shareholders who participated in the Offer, in excess of their Entitlement, as additional new shares (**Additional New Shares**) under a separate non-renounceable shortfall offer forming part of the Entitlement Offer (**Shortfall Offer**).

Additional New Shares will only be allocated to Eligible Shareholders if there are sufficient New Shares from the New Shares that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Entitlement Offer and from Eligible Shareholders who do not take up and pay for their full Entitlements or, subject to any scale-back that the company may apply (in its absolute discretion).

The issue price for Additional New Shares offered under the Shortfall Offer is A\$0.001 (**Shortfall Offer Price**), being the same price as the Offer Price under the Offer.

The Shortfall Offer shall be placed at the absolute direction of the Directors, and the Directors reserve the right to:

- allot to an Eligible Shareholder a lesser number of Additional New Shares than the number for which the Eligible Shareholder applies
- reject an application for Additional Shares
- not proceed with placing the Additional New Shares

Therefore, an application for Additional New Shares may not be successful (wholly or partially). The decision of ATW on the allocation of the Additional New Shares will be final.

KEY DATES

Key dates for the Entitlement Offer are set out below. The dates are indicative only and ATW reserves the right to vary them, subject to the Corporations Act 2001 (**Act**) and the ASX Listing Rules.

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Activity	Timing
Announcement of Entitlement Offer	Friday, 25 May 2012
"Ex Date" for Existing Shares ex Entitlement	Tuesday, 29 May 2012
Record Date for determining Entitlements to New Shares	5:00pm (AWST) Monday, 4 June 2012
Despatch of Entitlement Offer and Entitlement and Acceptance Forms to Shareholders	Tuesday, 5 June 2012
Opening Date	Tuesday, 5 June 2012
Closing Date	5:00pm (AWST) Wednesday, 20 June 2012 (subject to variation)
Issue of New Shares under the Offer and Additional New Shares under the Shortfall Offer and Despatch of holding statements	No later than Wednesday, 27 June 2012
Quotation of New Shares and Additional New Shares on ASX. Please note that the New Shares and Additional New Shares are subject to suspension and re-compliance (see 'Re-compliance risk' section of the Entitlement Offer document)	No later than Thursday, 28 June 2012

INFORMATION PROVIDED IN RELATION TO ENTITLEMENT ISSUE

The Entitlement 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 Entitlement Issue but will receive a written invitation providing details on how to take up their entitlement under the Entitlement Offer. Any decision to acquire New Shares or Additional New Shares should only be made after making independent enquiries and consulting relevant professional advisers, such as stockbrokers, financial advisers, accountants or solicitors. Shareholders should have regard to publicly available information about ATW before deciding whether or not to acquire New Shares or Additional New Shares. Copies of ATW's announcements to the ASX can be obtained from the ASX website, www.asx.com.au. ATW's ASX code is ATW.

Information about use of proceeds

The purpose of the Entitlement Offer is to meet routine expenses and costs associated with the Fitgenes and Medec transactions previously announced to the market, together with costs associated with a proposed share consolidation together with costs associated with the Company re-complying with Chapter 1 and 2 of the ASX Listing Rules which will require the issue of a retail prospectus.

ATW's capital structure on completion of the Entitlement Offer

The following table shows the proposed capital structure of ATW on completion of the Entitlement Offer. The exact number of New Shares to be issued cannot be calculated until Entitlements have been determined following the Record Date.

Shares	Number
Existing Shares on issue at the date of this announcement	141,814,736
New Shares proposed to be issued under the Entitlement Offer	141,814,736
Proposed total shares on issue after the Entitlement Offer	283,629,472

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ADDITIONAL INFORMATION

New Shares and Additional New Shares

New Shares and Additional New Shares issued pursuant to the Entitlement Offer will be fully paid and rank equally with the Shares on issue in ATW.

The rights and obligations attached to shares in ATW are:

- set out in ATW's Constitution which may be examined free of charge by appointment between 9.00 am and 5.00 pm on normal business days at the registered office of ATW at c/o Cimetta and Associates, 10 Bowman Street, South Perth, Western Australia, 6151, Australia; and
- in certain circumstances, regulated by the Act, the ASX Listing Rules and the general law.

Dividends

The Company is not currently paying dividends.

Foreign shareholders

Except in circumstances outlined in the Entitlement Offer document, Shareholders with registered addresses outside of Australia and New Zealand are not eligible to participate in the Entitlement Issue.

Enclosure

An Appendix 3B is enclosed.

Enquiries

Enquiries about the Entitlements Offer should be directed to the Chairman, Mr Conrad Crisafulli, on +61 402 419 078 or ATW's share registry, Security Transfer Registrars Pty Ltd on +61 8 9316 2333.

Yours faithfully

CONRAD CRISAFULLI
CHAIRMAN

Attachment: Appendix 3B

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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 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

ATW HOLDINGS LIMITED

ABN

85 100 531 191

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 | Fully paid ordinary shares. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 141,814,736. |
| 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) | Fully paid ordinary shares. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<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.</p>
<p>5 Issue price or consideration</p>	<p>\$0.001 per share.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The purpose of the issue is to raise funds to meet routine expenses and costs associated with the acquisition of Fitgenes Pty Ltd, the divestment of Medec International Pty Ltd, share consolidation costs and to fund a Re-compliance Prospectus to re-comply with Chapters 1 and 2 of the ASX Listing Rules in order for ATW to complete the Fitgenes Transaction.</p> <p>The shares are likely to be deemed to be restricted securities under Condition 10 of ASX Listing Rule 1.1. As such, ATW must comply with Chapter 9 in respect of those shares. This is likely to result in some or all of the shares being subject to escrow for up to 24 months.</p>
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>No later than 27 June 2012.</p>

⁺ See chapter 19 for defined terms.

8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	Number	⁺ Class
		141,814,736 + <u>141,814,736</u> <u>283,629,472</u>	Fully paid ordinary shares.
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	⁺ Class
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Dividends not yet paid.	

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	1 new share for every 1 existing share.
14	⁺ Class of ⁺ securities to which the offer relates	Fully paid ordinary shares.
15	⁺ Record date to determine entitlements	4 June 2012.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes.
17	Policy for deciding entitlements in relation to fractions	Fractions will be rounded up.

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

18	<p>Names of countries in which the entity has ⁺security holders who will not be sent new issue documents</p> <p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p>	<p>The Entitlement Offer is available only to eligible shareholders, being holders of Shares who:</p> <ul style="list-style-type: none">are registered as a holder of Shares as at 5:00pm AWST on Monday, 4 June 2012 (the Record Date)have a registered address in Australia or New Zealand, or otherwise meet one of the exceptions noted under a foreign jurisdiction in 'Error! Reference source not found.' of the Offer documentare not in the United States and are not acting for the account or benefit of any U.S. Personare not an Ineligible Shareholder, andare eligible under all applicable securities laws to receive an offer under the Entitlement Offer <p>The Company reserves the right to extend the Entitlement Offer into other jurisdictions (such as Singapore, Hong Kong, United Kingdom and European Economic Area (Germany)) in its absolute discretion.</p>
19	<p>Closing date for receipt of acceptances or renunciations</p>	<p>20 June 2012.</p>
20	<p>Names of any underwriters</p>	<p>Mr A Rajah S/O Retnam.</p>
21	<p>Amount of any underwriting fee or commission</p>	<p>\$100.00</p>
22	<p>Names of any brokers to the issue</p>	<p>N/A</p>
23	<p>Fee or commission payable to the broker to the issue</p>	<p>N/A</p>
24	<p>Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺security holders</p>	<p>N/A</p>

⁺ See chapter 19 for defined terms.

25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	5 June 2012.
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	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	5 June 2012.

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

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

(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)

38 Number of securities for which
+quotation is sought

39 Class of +securities for which
quotation is sought

+ See chapter 19 for defined terms.

40 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?

If the additional securities do not rank equally, please state:

- 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

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

42 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 38)

Number	⁺ Class

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.

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 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:
(Company Secretary)

Date: 25 May 2012

Print name: Ian Gregory

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+ See chapter 19 for defined terms.