



**VALENCE
INDUSTRIES**

ASIA PACIFIC | EUROPE | NORTH AMERICA

22 June 2016

ASX: VXL & VXLO

AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT

ASX Waiver from Sending out Exercise Notices

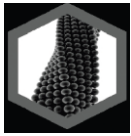
Valence Industries Limited (the **Company**) (ASX: VXL. VXLO) has in total 73,402,418 Listed Options due to expire on 31 July 2016 (ASX Code VXLO). The Company has recently applied to the ASX Limited (ASX) seeking a waiver from Listing Rule 6.24 to the extent necessary to allow the Company not to mail out an option expiry notice to the holders of these listed options as required by clause 6.1 of Appendix 6A.

The basis for the application of the waiver was the differential between the current share price (11.5 cents as at 12 November 2015 and the last day the shares traded on ASX) and the Option Exercise price (25.0 cents). The listed options are out of the money and the likelihood of option holders exercising the options is too remote to justify the cost of preparing and sending out the notices.

The ASX has granted the waiver subject to the Company providing the following disclosure conditions. The following information is provided in accordance with clause 6.1 of Appendix 6A - A Company must send a notice to each holder of quoted convertible securities at least twenty (20) business days before the expiry date of the option and the notice must contain the following information:

1. The number of listed options (VXLO) is 73,402,418;
2. The listed options expire at 5.00pm (Sydney time) on Sunday, 31 July 2016;
3. The exercise price of the listed options is 25.0 cents per option;
4. The due date for payment of cleared funds for the Options is Sunday, 31 July 2016;
5. The consequences for option holders when they do not exercise their Options by 31 July 2016 is that the options will lapse with no value and no further entitlement will exist;
6. Quotation of the options will cease at the close of trading on Friday, 22 July 2016;
7. The latest available market price on the ASX as at the close of trading on 12 November 2015 was \$0.115 (11.5 cents per VXL share);
8. During the last three (3) months the closing market price of Valence shares has been a constant \$0.115 (11.5 cents per VXL share) as shares were suspended from trade for that entire time period;
9. During the last three (3) months the closing listed option price has been a constant \$0.014 (0.14 cents per VXLO option) and the last trade of listed options was on 12 November 2015; and
10. There are no underwriting agreements in relation to the listed options (VXLO) or listed shares (VXL).

As a result of the ASX granting Valence Industries Limited a waiver from the requirements of Listing Rule 6.24, the Company will NOT be sending out option exercise notices in regard to the 31 July 2016 Listed Options (VXLO) which expire on Sunday, 31 July 2016.



Should the market price of Valence Industries Limited Shares exceed 18 cents at any time before 31 July 2016, in accordance with the ASX waiver, the Company is obligated to immediately send an option exercise notice to option holders.

Yours faithfully

Jaroslav (Jarek) Kopias
Company Secretary
Valence Industries Limited

For personal use only