



INNOVATIVE SCIENCE • REAL VALUE

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Companies Announcements
Australian Securities Exchange

11 February 2019

SciDev secures exclusive distribution and marketing rights, receives strategic investment from the Nuocer Group

- Agreement aligns a global leader in manufacturing, the Nuocer Group, with SciDev's business development strategy using its patent pending OptiFlox® technology to execute aggressive growth plans to lift SciDev's revenue profile
- The Nuocer Group is based in China and is the world's second largest producer of water-soluble polymers; Nuocer Groups products are used in a wide variety of industrial applications in a market valued at >\$8Bn annually
- SciDev will issue 1,666,667 shares at a price of \$0.06 per share to acquire the distribution and marketing rights - shares escrowed for a 12-month period
- SciDev will also place 5,000,000 shares to Nuocer Group nominees at a price of \$0.06 per share to raise \$300,000 - shares escrowed for a 12-month period

SciDev Ltd (**ASX: SDV, SDV or the Company**) is pleased to advise that it has entered into a binding Heads of Agreement (**HOA**) to acquire the exclusive distribution and marketing rights in Australia and other Oceanic countries for polymer products produced by the China-based Nuocer Group (**Nuocer Group**).

Nuocer Group is the world's second largest producer of water-soluble polymers (**PAM**). Nuocer Group commenced operations in 2003 and has grown rapidly, with manufacturing capacity now exceeding 300,000 tons per annum. Nuocer have recently commissioned a brand new, world class factory in Dongying, China to complement its existing facility in Guangrao, which operate under ISO 9001 and ISO 14001 quality and environmental management systems.

Under the terms of the HOA, SDV's 100% owned operating subsidiary Science Developments Pty Ltd (**SDPL**) has been granted the exclusive distribution and marketing rights from the Nuocer Group's Australian operating entity, Nuocer Chemical Australia Pty Ltd (**NCA**), for a 10-year period.

The exclusive rights pertain to countries within the Oceanic region that have substantial mineral processing and water treatment sectors. The Nuocer Group's head entity is also a party to the HOA and has agreed to guarantee the supply chain under favorable terms of trade. In addition, the agreement allows SDV to work with Nuocer Group to support business development initiatives globally in key target industries.

SDV will also secure the services of NCA's Managing Director, Dr. Jeffrey Zhang. Following the completion of the transaction, Dr. Zhang will become a director of SDPL. SciDev will utilise his considerable experience in marketing, strategic business development, supply chain and quality control to drive growth in key areas.

Two experienced NCA sales and marketing executives will also join SDPL. The existing uncontracted revenue to NCA is set to transfer to SDPL at the completion of the transaction.

Securing the exclusive distribution and marketing rights to Nuoer's PAM portfolio delivers SDV:

- Expanded market opportunities for the SDV patent pending OptiFlox® technology
- Supply chain security allowing SDV access to additional high value blue chip end users
- A vested world class partner that can manufacture PAM to SDV specifications
- Synergies with SDV's proprietary coagulant range and raw material sourcing requirements
- Access to world-class lowest cost quartile manufacturing and R & D capabilities
- Additional skilled personnel to execute an existing NCA business development pipeline

In consideration for the grant of the exclusive distribution and marketing rights, SDV will issue 1,666,667 shares at an issue price of \$0.06 per share to NCA, equating to \$100,000 value. SDV will undertake the share issue under its 15% placement capacity pursuant to ASX Listing Rules Chapter 7. The shares issued to NCA are subject to a voluntary, 12-month escrow.

Strategic placement to the Nuoer Group Entities and others

In conjunction with the distribution and marketing rights agreement, Dr Zhang and associates (**Zhang**) will take a placement of 5,000,000 SDV shares at an issue price of \$0.06 per share to raise a total of \$300,000. These SDV shares will also be subject to a voluntary, 12-month escrow.

Together with SDV shares issued to NCA for the granting of the exclusive rights, NCA and Zhang will hold 6,666,667 SDV shares representing 9.46% of SDV's current issued capital.

A further placement of 2,833,333 shares has been made at \$0.06 per share to raise \$170,000 to unrelated investors. This strengthens SDV's cash position, with funds being utilised to progress SciDev's growth strategy.

The issue of these shares has been carried out under SDV's existing 15% placement capacity. A shareholders meeting will be held in due course to seek ratification of these share issues.

The following document is *attached*:

- An Appendix 3B New Issues Announcement covering the SDV share issues subject of this announcement.

Second stage fund raising initiative

SciDev is also progressing initiatives to further strengthen its balance sheet and will update the market on these shortly. As a result, the securities of SDV will remain in voluntary suspension until that announcement has been made.

All funds raised will be utilised for the integration of the Nuoer Group distribution and marketing rights into the SDV business structure, expansion of the Company's current product marketing arrangements and general working capital.

Board and management changes

To implement the Company's business plan moving forward, Executive Director, Mr Lewis Utting will transition into the role of Managing Director. The current Managing Director, Mr Kieran Rodgers, has tendered a resignation from this role and from the Board of SDV, which is intended to be implemented following a broader capital raising.

Further changes to the Board will be progressed throughout 2019, reflecting the evolution of the business.

Heath Roberts
Company Secretary
SciDev Ltd
0419 473 925

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 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

SciDev Limited (ASX:SDV)

ABN

25 001 150 849

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 |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 9,500,000 |
| 3 | Principal terms of the +securities (e.g. 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 ranking equally with all other fully paid ordinary shares. |

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Appendix 3B
New issue announcement

| | |
|---|--|
| <p>4 Do the +securities rank equally in all respects from the +issue date 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>\$0.06</p> |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>1,666,667 (\$100,000) as part consideration for SDV being granted distribution rights to polymer products</p> <p>7,833,333 (\$470,000) general working capital for growing domestic and international footprint of the business</p> |
| <p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p> | <p>No</p> |
| <p>6b The date the security holder resolution under rule 7.1A was passed</p> | <p>N/A</p> |
| <p>6c Number of +securities issued without security holder approval under rule 7.1</p> | <p>N/A</p> |

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|----|--|------------------|-----------------------------|
| 6d | Number of +securities issued with security holder approval under rule 7.1A | N/A | |
| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | N/A | |
| 6f | Number of +securities issued under an exception in rule 7.2 | N/A | |
| 6g | If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation. | N/A | |
| 6h | If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements | N/A | |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements | N/A | |
| 7 | <p>+Issue dates</p> <p><small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</small></p> <p><small>Cross reference: item 33 of Appendix 3B.</small></p> | 12 February 2019 | |
| 8 | Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable) | 73,315,421 | Fully Paid Ordinary Shares. |

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Appendix 3B
New issue announcement

| | Number | +Class |
|----|-----------|---|
| 9 | 3,950,000 | Options at \$0.25 per share expiring 28/11/2019 |
| 10 | N/A | |

Part 2 - Pro rata issue

| | | |
|----|---|--|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the +securities will be offered | |
| 14 | +Class of +securities to which the offer relates | |
| 15 | +Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small> | |

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19 Closing date for receipt of
acceptances or renunciations

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Appendix 3B
New issue announcement

| | | |
|----|---|--|
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled | |
| 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 | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |

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32 How do security holders dispose of their entitlements (except by sale through a broker)?

33 ⁺Issue date

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

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Appendix 3B
New issue announcement

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

40 Do the +securities rank equally in all respects from the +issue date 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 |
| <input type="text"/> | <input type="text"/> |

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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.

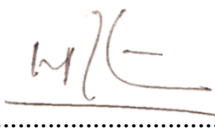
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) 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 is not available now, we 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: 11 February 2019.
(Company secretary)

Print name: Heath Roberts.....

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

| Rule 7.1 – Issues exceeding 15% of capital | |
|--|------------|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue | 49,481,867 |
| Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | 14,333,554 |
| Subtract the number of fully paid +ordinary securities cancelled during that 12 month period | |
| “A” | 63,815,421 |

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| | |
|---|--|
| Step 2: Calculate 15% of "A" | |
| "B" | 0.15 <i>[Note: this value cannot be changed]</i> |
| Multiply "A" by 0.15 | 9,572,313 |
| Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used | |
| <p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | 9,500,000 |
| "C" | - |
| Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1 | |
| "A" x 0.15 | 9,572,313 |
| <i>Note: number must be same as shown in Step 2</i> | |
| Subtract "C" | 9,500,000 |
| <i>Note: number must be same as shown in Step 3</i> | |
| Total ["A" x 0.15] – "C" | 72,313 |
| | <i>[Note: this is the remaining placement capacity under rule 7.1]</i> |

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Part 2

| Rule 7.1A – Additional placement capacity for eligible entities | |
|---|--|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| <p>“A”</p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p> | |
| Step 2: Calculate 10% of “A” | |
| <p>“D”</p> | <p>0.10</p> <p><i>Note: this value cannot be changed</i></p> |
| <p>Multiply “A” by 0.10</p> | |
| Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used | |
| <p>Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</p> <p>Notes:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | |
| <p>“E”</p> | |

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| | |
|--|--|
| Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A | |
| <p>"A" x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p> | |
| <p>Subtract "E"</p> <p><i>Note: number must be same as shown in Step 3</i></p> | |
| <p>Total ["A" x 0.10] – "E"</p> | <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p> |

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