

ASX RELEASE

4 August 2016

Issue of Placement Shares

Advanced Braking Technology Ltd (ASX: ABV) ('ABT' or the 'Company') advises that it has placed 385,950,008 new fully paid ordinary shares at the effective issue price of \$0.007 (0.7 cents) per share, raising a total of \$2.7 million ("**the Share Placement**"). The placement and receipt of commitments was announced on 29 July 2016.

Funds raised from the Share Placement are to be applied to funding repayment of \$1.345m of Convertible Notes, expiring on 15 August 2016 and to working capital.

The shares were placed to professional, sophisticated and other exempt investors determined by the Company in consultation with our advisors, Taylor Collison and Scintilla Capital.

Of the 385,950,008 shares issued, 271,815,065 were issued pursuant to Listing Rule 7.1, with the remaining 114,134,943 shares issued pursuant to Listing Rule 7.1A.

An Appendix 3B and cleansing notice in respect of the issue of Share Placement shares have also been lodged with the ASX.

Information provided pursuant to Listing Rule 3.10.5A

The Company issued 114,134,943 shares under its 10% capacity under Listing Rule 7.1A ("**Capacity Shares**").

As required under Listing Rule 3.10.5A, the Company provides the following information:

- a) The dilutive effect of the Capacity Shares on existing shareholders is outlined as follows:

Number of Shares on issue prior to Share Placement	1,813,529,007
Shares issued under Listing Rule 7.1 (Share Placement)	271,815,065
Shares including those issued under Listing Rule 7.1 of Share Placement	2,085,344,072
Shares issued under Listing Rule 7.1A (Capacity Shares)	114,134,943
Dilution as a result of issue under Listing Rule 7.1A	5.47%
Total number of shares now on issue	2,199,479,015

- b) The issue price of the Capacity Shares was 0.77 cents (\$0.0077), representing a 25% discount to the volume weighted average price for the 15 days on which the trades of the Company's shares were recorded on the ASX ending on 25 July 2016, being the trading day prior to the trading halt which was lifted at the commencement of normal trading on 29 July 2016. Therefore, in accordance with Listing Rule 7.1A.3, the Capacity Shares were issued within 5 trading days of the date on which the price at which the Capacity Shares would be issued was agreed.

- c) The Share Placement was undertaken by the Company following demand for shares by sophisticated and professional investors. The Share Placement was considered the most efficient and effective method of meeting the Company's requirements to fund costs in connection with the repayment of \$1.345m of Convertible Notes, expiring on 15 August 2016 and to provide further working capital. The Board is also cognisant of the benefits in introducing fresh investors in the Company to maintain a broad investor base.
- d) There was no underwriting agreement in relation to the Share Placement, and
- e) The Company paid a total fee of 6% (excluding GST) of the total Share Placement funds, consisting of a 2% Management Fee and a 4% Placement Fee. Taylor Collison was the Lead Manager to the Share Placement.

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About Advanced Braking Technology Ltd

Advanced Braking Technology Ltd (ASX: ABV) develops innovative braking systems. Their first product was the multi-award winning Sealed Integrated Braking System (SIBS®), a comprehensively patented Australian invention, with an environmentally friendly, failsafe braking mechanism suitable for the harshest of conditions. SIBS® brakes are used widely in light commercial vehicles in the Australian mining industry and increasingly throughout the world thanks to a growing global network of distributors.

Advanced Braking Technology have recently developed a revolutionary ultra light polymer brake and also diversified into the retail sector with their Terra Dura product range for 4WDs.