

Melbourne, 19 December 2014

Completion of Capital Raising, Section 708A Cleansing Statement and Appendix 3B

Clean TeQ Holdings Limited ('Clean TeQ' or 'the Company') advises that it has now completed the capital raising as announced on 12 December 2014 and issued a total of 37,500,000 fully paid ordinary shares raising \$2.25 million at an issue price of \$0.06 (6 cents) per share. The placement was made to professional & sophisticated investors. Lead manager to the placement is BW Equities.

Attached to this announcement is an Appendix 3B reflecting the issue of shares today.

It is also advised that 4,000,000 unlisted options previously granted to Mr Cory Williams have now lapsed and this change has been made in the attached Appendix 3B.

This notice is given by Clean TeQ Holdings Limited (**Company**) under Section 708A(5)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Company hereby confirms that:

- (a) it has issued 37,500,000 fully paid ordinary shares (**Shares**) at an issue price of \$0.06 (6.0 cents) per Share.
- (b) the Shares were issued without disclosure to investors under Part 6D.2 of the Corporations Act;
- (c) the Company is providing this notice under paragraph 5(e) of section 708A of the Corporations Act;
- (d) as at the date of this notice the Company, as a disclosing entity under the Corporations Act, has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (ii) section 674 of the Corporations Act as it applies to the Company; and
- (e) as at the date of this announcement, there is no excluded information of the type referred to in Sections 708A(7) and 708A(8) of the Corporations Act.

For more information:

Sam Riggall, Chairman

+613 9797 6700

Melanie Leydin, Company Secretary

+613 9797 6700

About Clean TeQ Holdings Limited (ASX: CLQ) – Based in Melbourne, Clean TeQ, using its proprietary Clean-iX[®] continuous ion exchange technology, is a world leader in resource recovery and industrial water treatment.

For more information about Clean TeQ please visit the Company's website at www.cleanteq.com.

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

Name of entity

Clean TeQ Holdings Limited

ABN

34 127 457 916

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 | 1. Fully paid ordinary shares
2. Fully Paid ordinary shares
3. Unlisted options
4. Unlisted options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1. 241,965
2. 37,500,000
3. 2,000,000
4. 2,000,000 |
| 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) | 1. Fully paid ordinary shares restricted for a period of 3 years from date of issue
2. Fully Paid ordinary shares
3. Unlisted options exercisable at \$0.10 (10 cents) per option on or before 19 June 2017
4. Unlisted options exercisable at \$0.15 (15 cents) per option on or before 19 June 2017 |

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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 	<ol style="list-style-type: none"> 1. Yes 2. Yes 3. Upon conversion of the unlisted options, the resulting fully paid ordinary shares will rank equally. 4. Upon conversion of the unlisted options, the resulting fully paid ordinary shares will rank equally.
<p>5 Issue price or consideration</p>	<ol style="list-style-type: none"> 1. Deemed issue price of \$0.06199 (6.199 cents) per share 2. \$0.06 (6 cents) per share 3. Nil 4. Nil
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<ol style="list-style-type: none"> 1. Issued under the Employee Share Plan as approved by shareholders at the Company's 2014 Annual General Meeting. 2. To enable the company to build on recent successes and accelerate its water treatment and metals recovery business and working capital requirements. 3. Granted as partial consideration for capital raising services provided by the broker to the offer. 4. Granted as partial consideration for capital raising services provided by the broker to the offer.
<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>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>20 November 2014</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>35,389,768 fully paid ordinary shares and 4,000,000 unlisted options</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>2,110,232 fully paid ordinary shares</p>

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6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil	
6f	Number of securities issued under an exception in rule 7.2	Nil	
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.	The 15 day VWAP as calculated under rule 7.1A.3 and price of at least 75% was \$0.057 (5.7 cents) per share. The price of the shares was set on 12 December 2014 and the shares have been issued on 19 December 2014. The calculation of the 15 day VWAP was carried out by the Company.	
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	LR 7.1	Nil
		LR 7.1A	<u>24,149,613</u>
		TOTAL	24,149,613
7	Dates of entering +securities into uncertificated holdings or despatch of certificate	19 December 2014	
8	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in section 2 if applicable)	Number	+Class
		300,098,454	Ordinary fully paid shares
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in section 2 if applicable)	8,510,000	Options over ordinary shares
		18,406,116	Convertible Notes with a face value \$0.10 and maturity date of 20 May 2016 with interest payable at a rate of 10% p.a.
		17,317,866	Convertible Notes with a face value \$0.10 and maturity date of 1 August 2016 with interest payable at a rate of 10% p.a.
		5,000,000	Convertible Notes with a face value \$0.10 and maturity date of 20 November 2015 with interest payable at a rate of 10% p.a.

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10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A	
12	Is the issue renounceable or non-renounceable?	N/A	
13	Ratio in which the +securities will be offered	N/A	
14	+Class of +securities to which the offer relates	N/A	
15	+Record date to determine entitlements	N/A	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A	
17	Policy for deciding entitlements in relation to fractions	N/A	
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>	N/A	
19	Closing date for receipt of acceptances or renunciations	N/A	
20	Names of any underwriters	N/A	
21	Amount of any underwriting fee or commission	N/A	
22	Names of any brokers to the issue	N/A	

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23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
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	N/A
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	N/A

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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

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

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39 Class of +securities for which
quotation is sought

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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:

5. the date from which they
do
6. the extent to which they
participate for the next
dividend, (in the case of a
trust, distribution) or
interest payment
7. the extent to which they do
not rank equally, other than
in relation to the next
dividend, distribution or
interest payment

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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)

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	Number	+Class
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	

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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.

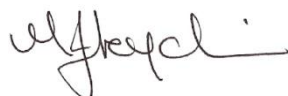
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- 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 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



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(Company secretary)

Date: 19 December 2014

Print name:

Melanie Leydin

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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

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 date of issue or agreement to issue	149,520,775
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> 	<p>37,032,755 – 14 March 2014</p> <p>55,117,245 – 6 May 2014</p> <p>2,000,000 - 5 September 2014</p> <p>18,685,714 – 6 October 2014</p> <p>241,965 – 19 December 2014</p>
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	-
“A”	262,598,454

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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	39,389,768
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> 	<p>4,000,000 options – 19 December 2014 35,389,768 shares – 19 December 2014</p>
“C”	39,389,768
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	39,389,768
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	39,389,768
Total [“A” x 0.15] – “C”	- <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

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	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	262,598,454
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	26,259,845
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <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> 	2,110,232 – 19 December 2014
“E”	2,110,232

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Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	26,259,845
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	2,110,232
Total [“A” x 0.10] – “E”	24,149,613 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.