

Date: 9 May 2013

The Manager

Companies Announcement Platform

SIM Venture Securities Exchange

Telezon Announces Rights Issue to Raise \$2,038,413

HIGHLIGHTS:

- **1 for 2 non-renounceable rights issue (with one free Attaching Option) at \$0.085 (8.5 cents) to raise \$2,038,413**
- **Funds will support acceleration of key commercialisation projects such as PolyDermic[®] Injection Needle, DuoDraw[®] Multi-Application Solution, and SoloFlow[®] Needle**
- **Provides strengthened balance sheet ahead of potential forward contracts and potential licensing negotiations**
- **Scope to invest in growth and potential expansion**
- **Significant milestones achieved to date on tightly managed budget**

Telezon (TLZ) has announced today a Rights Issue to raise \$2,038,413 at \$0.085 (8.5 cents) per New Share (with one free Attaching Option).

Summary of key information

- **Nature of offer:** Pro-rata non-renounceable Rights Issue of new shares
- **New Share issue price:** \$0.085 per New Share with one free Attaching Option
- **Offer ratio:** 1 New Share for every 2 existing shares held as at Record Date of 20 May 2013
- **Number of New Shares to be issued:** Up to 23,981,334 New Shares
- **Number of Attaching Options to be issued:** Up to 23,981,334 Attaching Options (exercisable @ \$0.20, 14 June 2016)
- **Amount to be raised under the Rights Issue:** Up to \$2,038,413 before issue costs.

Offer Details

The Board of Directors of TLZ has approved a 1 for 2 Non-Renounceable Rights Issue offered at \$0.085 per New Share with one free Attaching Option. This Rights Issue entitles **Eligible Shareholders** in the Company to take up fully paid shares in the Company, which will be determined by the size of their current shareholding. The Offer will result in the issue of a maximum of 23,981,334 New Shares (and an equal amount of free Attaching Options), which would raise a maximum of up to \$2,038,413 via the issue of the appropriate number of Shares at the Rights Issue to satisfy the investment applications being made.

Shareholders Eligible to Participate in the Rights Issue

Shareholders whose registered addresses are in Australia or New Zealand ("Eligible Shareholders") and who are registered as holders of Shares in the Company at 5pm (EST) on the record date of 20 May 2013 will have the right to participate in the Offer under the Rights Issue. The Offer will incorporate a shortfall facility under which Eligible Shareholders can apply for New Shares in excess of their pro rata entitlement.

Telezon has determined not to extend the "Offer" to shareholders who are not Eligible Shareholders ("**Ineligible Shareholders**") after considering the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

Use of funds

The funds raised under the Rights Issue will be used by the Company primarily to:

- Accelerate key commercialisation projects such as PolyDermic® Injection Needle, DuoDraw® Transfer and Injection Solution, and SoloFlow® Needle; and
- Invest in growth and potential expansion of the Company through potential future contracts

Indicative Timetable

Telezon intends to conduct the Rights Issue according to the following indicative timetable:

Offer announced	9 May 2013
Offer document lodged with ASIC and SIM VSE (& Appendix 2A/3B)	10 May 2013
Notice of Offer sent to shareholders that Offer document lodged with SIM VSE	13 May 2013
Shares quoted on an "ex" entitlement basis	14 May 2013
Record date to identify security holders entitled to participate in the issue	20 May 2013
Offer document sent to Eligible Shareholders, incl. Entitlement & Acceptance forms	22 May 2013
Offer opens	
Acceptances close, 5pm (EST)	5 June 2013
Despatch date. Confirm with SIM VSE all information required by Appendix 2A/3B	14 June 2013
Shortfall closing date	3 July 2013

This timetable is indicative only and subject to change. Subject to SIM VSE listing rules, the Directors of Telezon Ltd reserve to vary these dates, including the closing date of Offer and Shortfall.

Full details of the Rights Issue will be contained in the Offer Document to be lodged with ASIC and SIM VSE and then dispatched to Eligible Shareholders in accordance with the timetable set out above.

Sincerely,

Dr Michelle Carr

Company Secretary, Telezon Ltd

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Forward Looking Statements

This announcement contains "forward-looking" statements. Any statements contained in this document that relate to prospective events of developments including, but not limited to, statements made regarding Telezon's development of products or technologies, potential forward contracts or licensing agreements, are deemed to be forward-looking statements. Words such as "believes", "anticipates", "plans", "expects", "projects", "forecasts", "potential", "will" and similar expressions are intended to identify forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by these forward looking statements including risks related to available funds, downturn in global markets, our failure to introduce products and technologies in a timely manner, regulatory changes, as well as other factors.