

**Adelaide, 30 November 2010**

The Company has today entered into agreements whereby, subject to shareholder approval, up to 2,230,769 new fully paid ordinary shares will be issued. Parties related to three of the directors have contributed \$725,000 in debt funds convertible into equity at 32.5c per share, to provide working capital to meet market demand for the Company's new hip products. The Company intends to call and hold an Extraordinary General Meeting in the first quarter of 2011 to seek shareholder approval for the issue of the 2,230,769 shares. Further information will be provided in the explanatory memorandum accompanying the notice of Extraordinary General Meeting.

The Company is seeking to raise further funds in the order of \$775,000 (to make \$1,500,000 in total) to fund working capital. The Company intends to raise the funds through the issue of fully paid ordinary shares at an issue price of 32.5c per share. The offer is open to sophisticated and professional shareholders in the Company, as defined in and pursuant to sections 708(8) and 708(11) (respectively) of the Corporations Act. If any shareholder is unable to participate due to regulatory requirements (for example, approval from shareholders would be required under the Listing Rules or Corporations Act), the shareholder may be able to participate under arrangements similar to those entered into by the Company today, that is, by providing debt funds convertible into shares, subject to shareholder approval. If you are eligible and interested in participating, please contact the Company Secretary, Charlie Latham at [clatham@austofix.com.au](mailto:clatham@austofix.com.au).

For the purpose of listing rule 3.10.3, in relation to the agreements entered into by the Company today, the Company provides the following information to the market:

- 2,230,769 ordinary shares may be issued
- The shares will rank equally with all other shares currently on issue
- Issue price of the shares will be 32.5c each
- The shares are to be issued by conversion of debt
- The purpose of the issue is to fund working capital
- Shareholder approval for the issue will be sought at an Extraordinary General Meeting to be held in the first quarter of 2011

**Further information****Mark Szolga****CEO, Austofix Group Limited****+ 61 8 8351 0644**[www.austofix.com.au](http://www.austofix.com.au)**Austofix Group LTD**

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