

1 July 2011

Company Announcements Office

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## PROPOSED ISSUE OF SHARES

Austofix Group Limited (ASX:AYX) (the **Company**) has today entered into convertible loan agreements whereby, subject to shareholder approval, new fully paid shares will be issued to Anthony Mark Ingman (the **Director**). The Director has contributed \$400,000 in debt funds (the **Funds**) convertible to equity at \$0.325 per share.

An arm's length interest rate of 8% will apply to the Funds, with such interest being converted to equity in the same manner and in addition to the principal amount of the Funds.

Any amount of the Funds that is not converted to equity and any interest thereon will be paid back to the Director on 31 July 2012.

The Funds have been advanced to provide working capital to allow the Company to take advantage of growth opportunities that are currently available to it.

The Company provides the following information for the purposes of listing rule 3.10.3:

Class of securities to be issued:	Fully paid ordinary shares in the Company (the <b>Shares</b> ).
Maximum number of securities to be issued:	1.34 million shares.
Terms of the securities to be issued:	The shares subject to the issue will rank equally with the Shares.
Issue price or consideration:	\$0.325 per share.
Purpose of the issue:	The new capital raised will be used for working capital.
Whether the Company will seek shareholder approval:	The Company will seek shareholder approval for the issue of the shares.
Whether the issue will be to a class of security holders:	The issue will be to a sophisticated investor who satisfies the requirements of the <i>Corporations Act 2001</i> (Cth) (the <b>Act</b> ), such that the offer does not need disclosure pursuant to Part 6D.2 of the Act.



ALEX PORTER

Company Secretary

By order of the Board

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