Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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, 04/03/13

Name of entity

Carbonxt Group Limited

ABN

097 247 464

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	Fully Paid ordinary shares (each, a **New Share**)
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	Placement – Carbonxt proposes to issue approximately 7,500,000 New Shares to sophisticated investors (**Placement**) as announced to ASX on 15 October 2018 (**Placement New Shares**) Entitlement Offer – Carbonxt proposes to issue 18,400,000 New Shares pursuant to the terms of the non-renounceable pro-rata entitlement offer (Entitlement Offer) announced to ASX on 15 October 2018 (**Entitlement New Shares**). The exact number of Entitlement New Shares and Placement New Shares to be issued under the Entitlement Offer is not known as at the date of this Appendix 3B as it remains subject to the determination of Carbonxt and holding reconciliation and rounding.

+ See chapter 19 for defined terms.

3	Principal terms of the +securities (e.g. 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)	Same as existing quoted fully paid ordinary shares in Carbonxt.

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • 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	Yes, the New Shares will rank equally with existing ordinary shares from the date of issue of the New Shares. New Shares under the Placement will not be entitled to participate in the Entitlement Offer.
5	Issue price or consideration	For both Placement and Entitlement Offer – $0.40 per New Share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	As announced on 15 October 2018 the funds to be raised under the Placement and Entitlement Offer will be applied to fund capital expenditure to expand Carbonxt's production capacity for activated carbon pellets, working capital to fill increased volumes in activated carbon pellets, and transaction costs associated with the Placement and Entitlement Offer.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	No.
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	N/A
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.	N/A
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	N/A
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	Placement – 22 October 2018 Entitlement Offer – 7 November 2018

Number	+Class

8	Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)	After completion of the Placement and Entitlement Offer, there will be up to 99,494,836 ordinary shares quoted on ASX. (Based on 73,594,836 ordinary shares on issue at the date of this Appendix 3B and the aggregate approximate 25.9m New Shares to be issued under the Entitlement Offer and the Placement).	Fully Paid ordinary shares.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)	2,500,000	Convertible notes. Expiry date 1 January 2022.
		3,500,000**	Unlisted options Expiry date 30 November 2021. Exercisable at $0.50.
		500,000**	Unlisted options. Expiry date 8 June 2020. Exercisable at $0.60.
		300,000	Unlisted options. Expiry date 30 November 2021. Exercisable at $0.50.
		475,000	Unlisted options. Expiry date 30 November 2021. Exercisable at $0.70.
		200,000	Unlisted options. Expiry date 30 November 2021. Exercisable at $0.56.
		157,534	Shares held in ASX mandatory escrow for 12 months from issue.
		3,623,774	Shares held in ASX mandatory escrow for 24 months from quotation
		** Held on 24-month escrow from the date of the Company's quotation on ASX (23 January 2018)	

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Pro rata issue

+ See chapter 19 for defined terms.

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Non-renounceable.
13	Ratio in which the +securities will be offered	1 New Share for every 4 ordinary shares held as at the record date for the Entitlement Offer.
14	+Class of +securities to which the offer relates	Fully paid ordinary shares.
15	+Record date to determine entitlements	7.00pm (Sydney time) on 18 October 2018.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the next whole number of ordinary shares.
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries other than Australia and New Zealand.
19	Closing date for receipt of acceptances or renunciations	Entitlement Offer – 31 October 2018

+ See chapter 19 for defined terms.

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	Shaw and Partners Limited.
23	Fee or commission payable to the broker to the issue	6% of gross proceeds raised from the Entitlement Offer and Placement Offer.
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 offer documents will be sent to persons entitled	No disclosure document is being prepared. An Entitlement Offer Booklet and personalised entitlement and acceptance form will be sent on or around 22 October 2018.
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 *in full* through a broker?	N/A.
31	How do security holders sell *part* 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	+Issue date	Entitlement Offer – 7 November 2018

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

Entities that have ticked box 34(b)

+ See chapter 19 for defined terms.

38	Number of +securities for which +quotation is sought	
39	+Class of +securities for which quotation is sought	
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • 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	
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)	

42	Number and +class of all +securities quoted on ASX (*including* the +securities in clause 38)	Number	+Class

+ See chapter 19 for defined terms.

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 is not available now, we 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: ..... Date: ...15/10/2018.....
Company Secretary

Print name: ....THOMAS BLOOMFIELD....

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

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 the +issue date or date of agreement to issue	
Add the following: • 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 *Note:* • *Include only ordinary securities here – other classes of equity securities cannot be added* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
"A"	

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of "A"	
"B"	0.15 *[Note: this value cannot be changed]*
Multiply "A" by 0.15	
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period *not counting* those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 *Note:* • *This applies to equity securities, unless specifically excluded – not just ordinary securities* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	
"C"	
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 *Note: number must be same as shown in Step 2*	
Subtract "C" *Note: number must be same as shown in Step 3*	
Total ["A" x 0.15] – "C"	*[Note: this is the remaining placement capacity under rule 7.1]*

+ 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" *Note: number must be same as shown in Step 1 of Part 1*	
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	
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 *Notes:* • *This applies to equity securities – not just ordinary securities* • *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed* • *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* • *It may be useful to set out issues of securities on different dates as separate line items*	
"E"	

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 *Note: number must be same as shown in Step 2*	
Subtract "E" *Note: number must be same as shown in Step 3*	
Total ["A" x 0.10] – "E"	*Note: this is the remaining placement capacity under rule 7.1A*

+ See chapter 19 for defined terms.

ASX RELEASE **15 October 2018**

Entitlement Offer Cleansing Notice

This notice is given by Carbonxt Group Limited (Company) (ASX: CG1) under section 708AA(2)(f) of the Corporations Act 2001 (**Act**).

Today the Company announced a proposed institutional placement ("Placement") and non-renounceable pro-rata 1 for 4 entitlement offer ("Entitlement Offer") of new shares in Carbonxt ("New Shares") to raise approximately $10.3 million (being approximately $3.0 million under the Placement and approximately $7.3 million under the Entitlement Offer) before costs. CG1 shareholders registered at the Record Date with a registered address in Australia or New Zealand will be entitled to participate in the Entitlement Offer (Eligible Shareholders).

Shares under the Entitlement Offer will be offered at $0.40 per New Share. The Entitlement Offer is not underwritten but is being lead managed by Shaw and Partners Limited (Lead Manager).

An Information Booklet will be mailed to Eligible Shareholders on 22 October 2018 together with personalised Entitlement and Acceptance Forms.

The Company hereby gives notice under section 708AA(2)(f) of the Act that:

a) the Company will offer the Shares under the Entitlement Offer for issue without disclosure to investors under Part 6D.2 of the Act;

b) the Company is providing this notice under section 708AA(2)(f) of the Act;

c) at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company and has complied with section 674 of the Act;

d) at the date of this notice, there is no information that is "excluded information" within the meaning of section 708AA(8) and section 708AA(9) of the Act; and

e) the Entitlement Offer is not expected to have any material effect or consequence on the control of the Company. Any potential effect will depend on a number of factors including investor demand. However:
   - if all Eligible Shareholders take up their entitlements under the Entitlement Offer, the issue of Shares under the Entitlement Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Entitlement Offer;
   - in the more likely event that there is a shortfall, Eligible Shareholders who do not subscribe for their full entitlement to Shares under the Entitlement Offer and ineligible shareholders unable to participate in the Entitlement Offer will be diluted relative to those Eligible Shareholders who subscribe for some or all of their entitlement; and
   - the Lead Manager will assist with placing any shortfall of Shares after Eligible Shareholders have taken up their entitlements. Having regard to the number of Shares to be issued under the Entitlement Offer even if a substantial shortfall eventuated, there is unlikely to be a change in a shareholder's position to exercise any substantive control of the Company.

Yours Sincerely



Tom Bloomfield, Company Secretary