Market Update: Revenue Growth and Business Development Update

ASX Release:

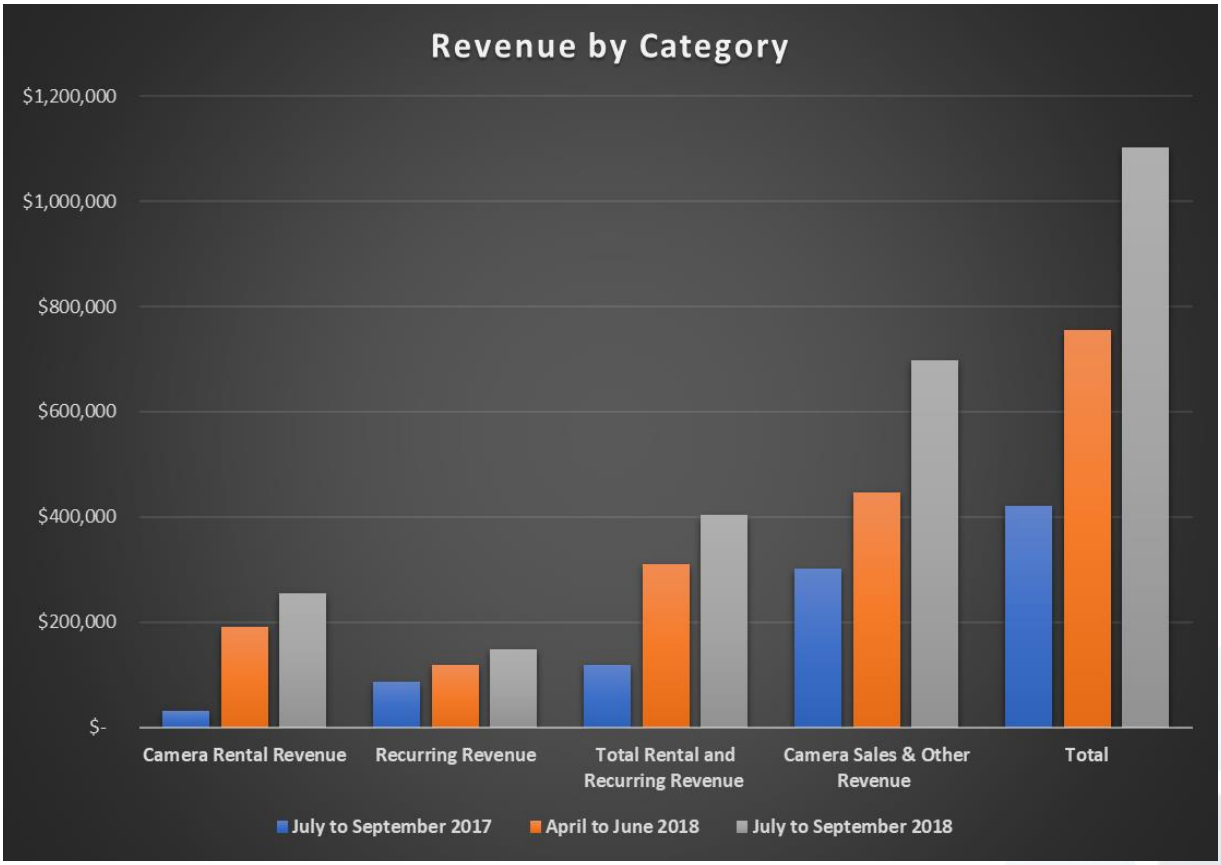
HIGHLIGHTS:

- Revenues for the September quarter exceed $1.1 million (compared to the same period last year of $421,000);
- Gross margins increased to approximately 60% during the period;
- Spectur Launches Shark Warning System

15 October 2018: Australian-based remote security monitoring systems and cloud based technology solutions company ('Spectur' or 'the Company') **(ASX:SP3)** is pleased to announce that it has generated continued revenue growth for the September quarter.

Revenue growth accelerates

The Company has recorded overall revenues (unaudited) of $1.1m for the September quarter. Revenues have increased by 161% from the same comparable period in 2017 and are circa $350,000 higher than the June 2018 quarter of $755,372. The sustained growth in sales demonstrates the traction gained through expanding into the growing markets of Victoria, Queensland and now New South Wales.



Pricing model changes implemented

The previously announced pricing and cost reduction strategy is starting to take effect, with overall gross margins of 60% for the September quarter, an increase on the 2018 financial year margins which were reported at 50%. Further margin increases are anticipated to be achieved during the year as deferred recurring revenue streams are brought to account.

Business Development Update – Shark Warning System

Spectur is commencing trials of its new Shark Warning System with the Augusta Margaret River Council, starting November 2018. The Shark Warning System is based on Spectur's existing HD4 technology, but in a non-security application. Spectur MD, Peter Holton says "This trial represents an exciting new evolution in the application of Spectur's technology platform, and has the potential to open a range of new markets and applications for Spectur's core product suite."

Shark attacks are a major concern for beach users such as swimmers and surfers, both in Australia and internationally. In Australia, local councils receive shark sighting alerts from a variety of sources, such as helicopter patrols, drones and beach users. These shark sighting alerts go through a variety of existing systems and are eventually fed through to local rangers, who are then required to drive to the area in which the sighting occurred and warn people on or near the water and to potentially shut the beach.

There can be delays of up to 45 minutes between the initial sighting of a shark and beach users receiving the warning because of the variable proximity of a ranger. This identified 'safety gap' has very serious implications to public safety and local councils are under community pressure to prevent people entering waters when they are aware of potential shark dangers.

Spectur's Shark Warning System is based on the its patented HD4 technology. It is a solar powered, stand alone, cloud-based warning system that can easily be installed on popular or remote beaches, without the need for expensive power or cabled internet infrastructure.

The Shark Warning System communicates with Spectur's cloud-based servers in real-time and can be instantly activated via a remote web login, from any location. The Shark Warning System immediately issues a loud (up to 98dB) spoken warning to people on the affected beach. A bright flashing light also alerts people in and on the water. The live on-board HD camera can be used to remotely monitor activity on the beach once an alert has been sounded.

"We are delighted to be adding the Shark Warning System to our product base and foresee significant potential. We are very excited to be working with The Shire of Augusta Margaret River on the trial, as they have some of the world's most famous and iconic surf beaches and have experienced significant problems with shark attacks," said Spectur's Managing Director, Peter Holton. "This years Margaret River Pro, part of the World Surf League World Championship Tour, was abandoned mid event because of nearby shark attacks. We are able to deliver a rapid solution to bridge the current shark warning safety gap demonstrating again how Spectur's patented technology can be applied to meet the needs of markets outside of the traditional security setting. It is encouraging to be working with a local government body that is being pro-active about addressing this safety gap for the benefit of all beach-goers."

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ABOUT SPECTUR

Spectur Limited is an Australian-based company which owns the rights to its innovative hardware and disruptive cloud based IOT and security systems which operate in Australia. The two key industries that Spectur currently services are the building/construction/civil industry and the critical infrastructure industry. The Company's focus is to service the commercial, industrial and governments sectors. Spectur's core product is the HD4 security camera system and associated cloud based platform. The HD4 is a solar powered battery backup security system which is remotely accessed and connected via 3G/4G technology which is connected to the cloud based platform. Spectur has also added thermal camera surveillance as a stand-alone system to complement its existing product base. The Company is rapidly implementing a growth plan to firstly grow revenues and market share in the Australian security surveillance sector and, secondly to penetrate other key strategic markets.

FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements which are subject to elements of uncertainty, risk and other factors which could cause the actual results or outcomes to differ materially from those stated. These statements are based on an evaluation of current economic, contractual and operating conditions, as well as assumptions regarding future events. These events are, as at the date of this announcement, expected to take place, but there cannot be any guarantee that such events will occur as anticipated, when anticipated or at all given that many of the events are outside Spectur's control.

Accordingly, neither Spectur nor any of its directors, officers, employees, contractors or agents, gives any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur as and when anticipated.