

# 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 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

**Name of Entity:**

iSonea Limited (ASX Code: ISN)

**ABN:**

98 009 234 173

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

- a) Ordinary Shares (ISN)
- b) Listed Options (New Class)
- c) Listed Options (New Class)
- d) Ordinary Shares (ISN)
- e) Ordinary Shares (ISN)
- f) Ordinary Shares (ISN)
- g) Ordinary Shares (ISN)
- h) Ordinary Shares (ISN)

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

- a) 860,253,232
- b) 215,063,309
- c) 185,000,000
- d) 1,650,525
- e) 689,660
- f) 858,297
- g) 57,000,000
- h) 37,000,000

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+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (eg, 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)</p>	<p>a) Fully Paid Ordinary Shares (ISN)  b) Listed Options exercisable at \$0.007 per option on or before 30 June 2014 (New Class)  c) Listed Options exercisable at \$0.007 per option on or before 30 June 2014 (New Class)  d) Fully Paid Ordinary Shares (ISN)  e) Fully Paid Ordinary Shares (ISN)  f) Fully Paid Ordinary Shares (ISN)  g) Fully Paid Ordinary Shares (ISN)  h) Fully Paid Ordinary Shares (ISN)</p>
<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>a) Yes, (ISN)  b) Yes upon exercise (ISN)  c) Yes upon exercise (ISN)  d) Yes, (ISN)  e) Yes, (ISN)  f) Yes, (ISN)  g) Yes, (ISN)  h) Yes, (ISN)</p>
<p>5 Issue price or consideration</p>	<p>a) \$4,301,266  b) Nil free-attaching  c) Nil  d) \$9,903.15  e) \$10,344.90  f) \$9,441.27  g) \$171,000  h) \$111,000</p>
<p>6 Purpose of the issue  (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>a-b) Issue of new securities pursuant to the Non-Renounceable Rights Issue as detailed in the prospectus announced to the ASX on 18 November 2011  c) Issue of securities pursuant to Rights Issue Sub-Underwriting Agreement  d-f) Issued as payment in lieu of cash for services rendered as approved by members at the AGM pursuant to resolution 18 on 17 November 2011.  g-h) Part Conversion of Convertible Securities issued on 30<sup>th</sup> September 2011 in accordance with the Security and Share Purchase Agreement dated 28<sup>th</sup> September 2011 between iSonea and Bergen Asset Management LLP</p>

7 Dates of entering +securities into uncertificated holdings or despatch of certificates

- a-f) 22<sup>nd</sup> December 2011
- g) 21<sup>st</sup> December 2011
- h) 22<sup>nd</sup> December 2011

8 Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)

<b>Number</b>	<b>+Class</b>
2,104,456,023	Ordinary Shares (ISN)
47,355,657	Options (ISNOA) - exercisable @ \$0.024 on or before 30/04/2012.
400,063,309	Options (New Class) – exercisable @ \$0.007 on or before 30/06/2014

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+ See chapter 19 for defined terms.

9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)

Code	Options	Exercise Price	Expiry Date	
ISNAM	29,737,497	\$0.050	30/06/2012	
ISNAM	3,812,500	\$0.050	15/12/2013	ESOP
ISNAO	13,000,000	\$0.050	15/12/2015	
ISNAW	52,666,999	\$0.023	31/10/2011	
ISNAW	6,000,000	\$0.030	30/11/2011	
ISNAW	2,000,000	\$0.020	15/12/2011	
ISNAW	6,500,000	\$0.020	31/07/2012	
ISNAW	14,500,000	\$0.030	31/07/2012	
ISNAW	2,000,000	\$0.040	30/11/2012	
ISNAW	12,777,314	\$0.030	15/12/2012	
ISNAW	2,300,000	\$0.015	15/12/2012	
ISNAW	4,500,000	\$0.040	15/12/2013	
ISNAW	750,000	\$0.012	31/07/2012	ESOP
ISNAW	28,000,000	\$0.013	31/07/2016	ESOP
ISNAW	4,000,000	\$0.015	31/12/2011	ESOP
ISNAW	12,000,000	\$0.020	31/12/2012	ESOP
ISNAW	16,000,000	\$0.020	31/12/2013	ESOP
ISNAZ	900,000	\$0.130	15/12/2014	ESOP
ISNAZ	900,000	\$0.130	15/06/2015	ESOP
ISNAW	25,000,000	\$0.023	29/09/2015	
ISNAW	1,500,000	\$0.015	01/07/2013	ESOP
ISNAW	20,000,000	\$0.030	01/07/2014	ESOP
<b>Total</b>	<b>258,844,310</b>			

Number	+Class – Convertible Securities	
Amount	Issue Price	Expiration Date
No. to be determined at conversion up to a maximum value of A\$588K.	<p>The Convertible Securities shall convert into new Ordinary Shares of the Company determined by dividing the Amount to be converted, by one of the following at the Investor's election:</p> <ol style="list-style-type: none"> <li>1) 130% of the 10 day VWAP per share for the 10 consecutive trading days prior to 20 Sept 2011; OR</li> <li>2) 90% of the 3 day VWAP per share during a specified 3 days consecutive immediately period prior to conversion date.</li> </ol> <p>The convertible securities do not carry any voting rights and has no rights to participate in any Company rights issues until converted into ordinary shares.</p>	28 <sup>th</sup> September 2013

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged
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## Part 2 - Bonus Issue or Pro Rata Issue

- |    |   |  |
|----|---|--|
| 11 | Is security holder approval required?   |  |
| 12 | Is the issue renounceable or non-renounceable?  |  |
| 13 | Ratio in which the +securities will be offered  |  |
| 14 | +Class of +securities to which the offer relates  |  |
| 15 | +Record date to determine entitlements  |  |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?  |  |
| 17 | Policy for deciding entitlements in relation to fractions   |  |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents<br><br><small>Note: Security holders must be told how their entitlements are to be dealt with.<br/>Cross reference: rule 7.7.</small> |  |
| 19 | Closing date for receipt of acceptances or renunciations  |  |
| 20 | Names of any underwriters   |  |
| 21 | Amount of any underwriting fee or commission  |  |
| 22 | Names of any brokers to the issue   |  |
| 23 | Fee or commission payable to the broker to the issue  |  |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders   |  |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting  |  |

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+ See chapter 19 for defined terms.

- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 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
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

### 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)**

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 date of allotment 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)

	<b>Number</b>	<b>+Class</b>
42 Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 38)	<input type="text"/>	<input type="text"/>

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+ 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.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided 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 not available now, 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:   
Company Secretary

Date: Thursday 22<sup>nd</sup> December 2011

Print Name: Phillip Hains