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22 May 2019

Successful completion of Institutional Entitlement Offer

Ovato Limited (**Company** or **Ovato**) is pleased to announce the successful completion of the institutional component of its fully underwritten 1 for 2.3 accelerated non-renounceable entitlement offer (**Institutional Entitlement Offer**) to raise approximately \$11.0 million, announced to the market on Monday, 20 May 2019.

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will raise approximately \$4.5 million in total, taking the total size of the entitlement offer to approximately \$15.5 million (**Entitlement Offer**).

New shares will be issued at a fixed price of \$0.07 per share in the Company (**Share**) and will rank equally with existing Shares from allotment.

The proceeds from the Entitlement Offer will be used to:

- (a) strengthen the Company's balance sheet by reducing leverage and providing additional financial flexibility; and
- (b) accelerate the completion of the NSW Site Consolidation project.

The Entitlement Offer is underwritten by Wilsons Corporate Finance Limited (ABN 65 057 547 323). The Entitlement Offer will also be sub-underwritten by Sayman Pty Ltd as trustee for the Lindsay Hannan Family Trust, Michael Hannan, James Hannan, Richard O'Connor and Adrian O'Connor (the **Hannan Family**).

Institutional Entitlement Offer

Take up by eligible institutional shareholders in the Institutional Entitlement Offer was approximately 59%. The Hannan Family continue to support the Company by taking up their pro-rata entitlements under the Institutional Entitlement Offer and will be subscribing for any Shares which were not taken up by existing shareholders in the Entitlement Offer or not subscribed for by existing and new investors in the institutional offer shortfall bookbuild.

New Shares issued under the Institutional Entitlement Offer are expected to settle on Wednesday, 29 May 2019. Allotment and commencement of normal trading on the ASX of these new Shares is expected to occur on Thursday, 30 May 2019.

Retail Entitlement Offer

The Retail Entitlement Offer will open at 9:00am (AEST) on Monday, 27 May 2019 and close at 5:00pm (AEST) on Wednesday, 5 June 2019. Retail shareholders who hold Shares in the Company as at 7:00pm (AEST) on the record date of Wednesday, 22 May 2019 and have a registered address in Australia or New Zealand (**Eligible Retail Shareholders**) will be invited to participate in the Retail Entitlement Offer at the same offer price (being \$0.07) and offer ratio (being 1 for 2.3) as the participants in the Institutional Entitlement Offer.

Further details on the Retail Entitlement Offer are set out in the booklet that will be despatched to Eligible Retail Shareholders on Monday, 27 May 2019.

If you have any questions about the Retail Entitlement Offer you should seek advice from your stockbroker, accountant or other independent professional adviser or the Ovato Offer Information Line on 1300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia) at any time between 8:30am to 5:30pm (Sydney time) on Monday to Friday, up to the closing date of the Retail Entitlement Offer at 5:00pm (Sydney time) on Wednesday, 5 June 2019.

Shares in the Company are expected to recommence trading on the ASX from market open today.

ENDS