

Notice of change of interests of substantial holder

Form 604
Corporations Law 2001
Section 671B

To: **ADACEL TECHNOLOGIES LIMITED**
ACN 079 672 281

1. Details of substantial shareholders

Mr David Wallace Smith

- There was a change in the interests of the substantial holder on 10 December 2015
- The previous notice was given to the Company on 18 September 2009
- The previous notice was dated 18 September 2009

2. Previous and present voting power

The total number of votes attached to all the voting shares in the Company or voting interests in the scheme that the substantial holder or an associate had a relevant interest when last required, and when now required, to give a substantial holding notice to the Company or scheme, are as follows:

| Class of securities | Previous notice | | Present notice | |
|---------------------|-----------------|--------------|----------------|--------------|
| | Person's votes | Voting power | Person's votes | Voting power |
| Ordinary Shares | 9,560,558 | 11.62% | 7,618,589 | 9.61% |

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the Company or scheme, since the substantial holder was last required to give a substantial holding notice to the Company or scheme are as follows:

| Date of change | Person whose relevant interest changed | Nature of change | Consideration given in relation to change | Class and number of securities affected | Person's votes affected |
|------------------|--|---|--|---|-------------------------|
| 22 December 2014 | Mr David Wallace Smith | Off market sale of 300,000 ordinary shares by Mr David Wallace Smith | \$0.25 per share (total consideration: \$75,000) | 300,000 ordinary shares | Mr David Wallace Smith |
| 10 December 2015 | Mr David Wallace Smith | Off market sale of 1,132,959 ordinary shares by Mr David Wallace Smith Off market sale of 509,010 ordinary shares by D & E Smith Superannuation Nominees Pty Ltd | \$1.80 per share (total consideration: 2,955,544.20) | 1,641,969 ordinary shares | Mr David Wallace Smith |

4. Present Relevant Interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder | Nature of relevant interest | Class and number of securities | Person's votes |
|-----------------------------|---|---|---|--------------------------------|----------------|
| Mr David Wallace Smith | Mr David Wallace Smith | Mr David Wallace Smith | Registered holder. | 7,618,589 ordinary shares | 7,618,589 |
| | D & E Smith Superannuation Nominees Pty Ltd | D & E Smith Superannuation Nominees Pty Ltd | Indirect. Mr David Wallace Smith is practical controller of D & E Smith Superannuation Nominees Pty Ltd (s608(3)(b) Corporations Act) | | |

5. Changes In Association

The persons who have become associates of, ceased to be associates of, or have changes the nature of their association with, the substantial holder in relation to voting interests in the Company or scheme are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|-----------------------|
| N/A | |

6. Addresses

The addresses of persons named in this form are as follows:

David Wallace Smith
144 Winmalee Road
Balwyn VIC 3103

Dated 11 December 2015

Authorised for electronic lodgement by Mr David Wallace Smith