



## **ASX Release – 17 September 2010**

### **Circadian Technologies Limited to Offer Shareholder Sale Facility for Unmarketable Parcels**

Circadian Technologies Limited (Company) has initiated an unmarketable parcels sale facility. The facility provides for shareholders who hold shares valued at \$500 or below, on the register at 7.00pm (Sydney time) on 13 September 2010, to sell their shares on market in a cost efficient manner.

Circadian appreciates the support of all shareholders. However, Circadian incurs significant administrative costs in producing and distributing shareholding statements, annual reports, notices of meeting and other communication, irrespective of the size of the shareholding. The cost of maintaining shareholder accounts can be disproportionately high when compared with the dollar value of small shareholdings. In addition, investors holding small numbers of shares may find it difficult or expensive to dispose of those shares through the normal means.

#### **Unmarketable Parcels Sale Facility**

Clause 11 of the Company's constitution provides for the Company to invoke a procedure to sell unmarketable parcels of shares.

Accordingly shareholders with an unmarketable parcel of shares will shortly receive a letter in the form attached. This letter explains that, unless they advise the Company otherwise:

their shares will be sold on market;

the proceeds will be paid to them, or in accordance with their instructions, (less any unpaid calls and interest); and

their shares will be sold at zero cost to them.

Shareholders who wish to retain their unmarketable parcels of shares must return the Share Retention slip, enclosed with the letter, so that it is received by the Circadian share registry by 5pm (Melbourne time) on 29 October 2010, otherwise their shares will be sold.

Yours faithfully

Susan Madden

Company Secretary

Circadian Technologies Limited



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MR JOHN SAMPLE  
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SAMPLETOWN VIC 3030

XX September 2010

**THIS LETTER CONTAINS IMPORTANT INFORMATION ABOUT YOUR CIRCADIAN  
SHAREHOLDING AND REQUIRES YOUR IMMEDIATE ATTENTION**

Dear Shareholder

**Unmarketable Parcels Sale Facility**

I am writing to advise all shareholders who hold less than A\$500 worth of fully paid ordinary shares (**unmarketable parcel**) in Circadian Technologies Limited (**Circadian** or **Company**), as of today's date, that Circadian is implementing an unmarketable parcels share sale facility (**Unmarketable Parcels Sale Facility**) under clause 11 of Circadian's constitution.

Our records indicate that, as at the close of business at 7pm (Sydney time) 13 September 2010, you are the holder of an unmarketable parcel of shares, (i.e. **[insert number]** shares or less). Your holding has therefore been included in the Unmarketable Parcels Sale Facility. Unless you notify the Company in writing by 5pm (Sydney time) 29 October 2010 that you wish to keep your shares, your shares will be sold in accordance with the Company's constitution.

**If you wish to sell your shares you do not need to take any action.**

**If you wish to retain your shares you must complete and return the enclosed Share Retention Slip.**

**Sale Price**

Circadian will bear all brokerage and handling fees related to sales under the Unmarketable Parcels Sale Facility. The price that will be paid to shareholders for each share sold through the Unmarketable Parcels Sale Facility will be the volume weighted average price received by the broker for the sale of all shares sold through the Unmarketable Parcels Sale Facility. That sale price will be calculated by the broker.

The market price of Circadian shares is subject to change. Accordingly, the proceeds remitted to a shareholder for the sale of their shares under the Unmarketable Parcels Sale Facility may be more or less than the actual price that is received by the broker for those shares.

**Ability to Opt Out**

You may elect to respond to this letter and prevent the sale of your holding under the Unmarketable Parcels Sale Facility.

## **What do I need to do to Opt Out?**

If you wish to retain your Circadian shares, you must complete the enclosed Share Retention Slip and return it in the enclosed envelope so that it is received by the Circadian share registry by 5pm (Sydney time) 29 October 2010, which is the end of the notice period (**Notice Period**).

If you do nothing (i.e. you do not return a completed Share Retention Slip and your Circadian shareholding remains an unmarketable parcel), your Circadian shares will be sold as soon as practicable following the end of the Notice Period.

## **Why is Circadian implementing an Unmarketable Parcels Sale Facility?**

Circadian appreciates the support of all shareholders. However, Circadian incurs significant administrative costs in producing and distributing shareholding statements, annual reports, notices of meeting and other communication, irrespective of the size of the shareholding. The cost of maintaining shareholder accounts can be disproportionately high when compared with the dollar value of small shareholdings. In addition, investors holding small numbers of shares may find it difficult or expensive to dispose of those shares through the normal means.

## **Authority to implement the Unmarketable Parcels Sale Facility**

Clause 11 of Circadian's constitution provides that Circadian may invoke an Unmarketable Parcels Sale Facility to sell those shareholders' share parcels that are less than A\$500 each. This letter satisfies the notice requirements under Circadian's constitution which allows Circadian to invoke the Unmarketable Parcels Sale Facility.

Shareholders who hold unmarketable parcels have the opportunity to inform Circadian that they wish to retain their shareholding. If a shareholder notifies Circadian, within the Notice Period, the Company will not sell those shares. Otherwise, after the Notice Period, the Company is entitled to sell the unmarketable parcels. The proceeds of the sale will be remitted to the shareholder whose shares were sold, or in accordance with the shareholder's instructions. Shares will be sold on the Australian Securities Exchange at prevailing market prices.

If your shares are in a CHESS holding and remain in a CHESS holding on 5pm (Sydney time) 29 October 2010, and are to be sold under the Unmarketable Parcels Sale Facility, you should note that Circadian may, without further notice to you:

- (a) sell the relevant shares while they remain in your CHESS holding; and
- (b) initiate a holding adjustment to move those shares to an issuer sponsored holding or a certificated holding for the purposes of that sale.

## **Sales Process and Sale Proceeds**

The Company will bear the brokerage and handling costs in respect of the sales. Circadian has arranged for a broker to act as broker to effect these sales. These sales will take place as soon as practicable following the end of the Notice Period. A broker may sell the shares in batches of multiple shareholders.

It is expected that the proceeds (in Australian dollars) will be remitted to you, or in accordance with your instructions, within 2 weeks of the last sale of shares by the broker under the Unmarketable Parcels Sale Facility. The proceeds received for the sale of any securities (less any unpaid calls or interest (if any)) will be paid by the Company into a bank account in trust for you. The Company will notify you of the sale of your shares and that the relevant sale consideration is being held by the Company pending the receipt by the Company of written instructions from you as to how the sale proceeds are to be remitted. If you do not provide these instructions, the proceeds will be dealt with in accordance with Section 544 of the *Corporations Act 2001 (Cth)* or the *Unclaimed Money Act 2008 (Vic)* as the case may be.

For the purposes of sale under the Unmarketable Parcels Sale Facility, each shareholder who holds an unmarketable parcel:

- (a) appoints the Company as the shareholder's agent for sale;
- (b) authorises the Company to effect on the shareholder's behalf a transfer of the shares sold and to deal with the proceeds of the sale of the shares in accordance with the Company's constitution;
- (c) appoints the Company, its directors and company secretary jointly and severally as the shareholder's attorneys to execute an instrument or take other steps, in the shareholder's name and on the shareholder's behalf, as they or any of them may consider appropriate to transfer the shares sold; and
- (d) authorises each of the attorneys appointed under para (c) above to appoint an agent to do a thing referred to in para (c) above.

## Important Notes

Neither Circadian nor Computershare Investor Services Pty Limited makes any recommendation or gives any advice to you regarding whether to retain your shares or permit them to be sold under the Unmarketable Parcels Sale Facility. If you are in any doubt about whether to retain your shares or permit them to be sold, please consult your financial adviser.

Up to date information on the market price of Circadian shares is available from the ASX website ([www.asx.com.au](http://www.asx.com.au)) under the code *CIR*.

- If you have any questions regarding how the Unmarketable Parcels Sale Facility works, or you have a number of holdings that you wish to consolidate, please contact the Circadian Share Registry Call Centre on 1300 608 145 (within Australia) or on 03 9938 4353 (outside Australia).

Yours sincerely,

**Dominique Fisher**  
**Chairman**  
**Circadian Technologies Limited**

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## RETENTION SLIP

Reference Number: [I1234567890](#)

If you wish to retain your shareholding in Circadian Technologies Limited this slip **MUST** be returned to the Circadian Technologies Limited share registry so that it is received by 5.00pm (Sydney time) on 29 October 2010.

The slip can be returned using the methods set out on the reverse of this slip.

**DO NOT SELL MY SHARES**

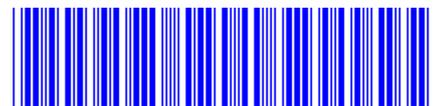
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**TO RETAIN YOUR SHARES**

To ensure your shares are not sold in the Facility, detach this slip and return it to the Circadian Technologies Limited share registry by 5pm (Sydney time) 29 October 2010.

**POST**

Computershare Investor Services Pty Limited  
GPO Box 2115 Melbourne  
Victoria 3001 Australia



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