

4 December 2012

Lodged by ASX Online

The Manager
Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
Sydney, NSW 2000

Dear Sir/Madam

APPENDIX 3B

TZ Limited (the "**Company**") announces that, as approved at the Company's recent annual general meeting, the Company will issue an additional 4,060,725 options (the "**Options**") on Tuesday, 4 December 2012.

The Options are each exercisable at 14 cents on or before 31 October 2013 and are issued on the same terms and conditions as the 23,059,311 options issued to applicants under the Company's recent 1 for 3 renounceable rights issue ("**Rights Issue**") and the 11,312,209 options issued on 25 October 2012. These terms and conditions are set out in the annexure to this letter.

The Options are required to be issued by the Company to the underwriter of the Rights Issue (or as directed by the underwriter). The Company has now received written direction from the underwriter as to whom the Options are to be issued.

An Appendix 3B application for quotation of the 4,060,725 Options is attached to this letter.

Yours faithfully,
TZ LIMITED

A handwritten signature in black ink, appearing to read 'Ken Ting', with a large circular flourish above it.

Kenneth Ting
Executive Director and Company Secretary

ANNEXURE

OPTION TERMS AND CONDITIONS

The Options are subject to the following terms and conditions:

1. Subject to and conditional upon any adjustment in accordance with the terms and conditions set out below, each Option entitles the holder, when validly exercised, to one fully paid ordinary share ("**Share**") in the issued share capital of TZ Limited ACN 073 979 272 ("**Company**") upon payment of the exercise price prior to the expiry date.
2. The exercise price of each Option shall be \$0.14 ("**Exercise Price**").
3. The Options may be exercised at any time on or before 5.00 pm (Sydney time) on 31 October 2013 ("**Expiry Date**") by lodging with the Company before the Expiry Date a written notice of exercise specifying the number of Options being exercised ("**Exercise Notice**"), accompanied by a bank cheque for payment of the Exercise Price for that number of Options being exercised, at the address below:

The Directors
TZ Limited
Level 11
1 Chifley Square
SYDNEY NSW 2000

An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

Options not exercised by the Expiry Date lapse.

4. The Company will apply for quotation of the Options on the Australian Securities Exchange ("**ASX**").
5. Options which have not been exercised are freely transferable in whole or in part at any time prior to the Expiry Date.
6. All Shares to be issued pursuant to the exercise of the Options will rank equally in all respects with the Company's then existing fully paid ordinary shares and will be issued within 10 business days following receipt of the Exercise Notice and the Exercise Price (in cleared funds). The Company will apply for quotation of all Shares issued upon exercise of the Options within 10 business days after the date of allotment of those Shares.
7. There are no participation rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in any new issues of securities which may be offered to shareholders of the Company from time to time prior to the Expiry Date. However, before the record date to determine entitlements to any such new issue of securities, the Company will notify the holders of the Options of the proposed

new issue in accordance with the requirements of the Listing Rules of the ASX ("**Listing Rules**").

8. The Options confer on their holders a right to a change in the Exercise Price where there is a pro rata issue (except a bonus issue) to the holders of Shares. In such circumstances, the Exercise Price of the Options may be reduced according to the formula set out in Listing Rule 6.22.
9. The Options do not confer on their holders any right to participate in dividends until Shares are allotted pursuant to the exercise of the Options, after which, such Shares will qualify for any dividend paid on the fully paid ordinary shares in the Company with a record date after the date of allotment of the Shares.
10. In the event of a reconstruction (including consolidation, sub-division, return or reduction of the issued capital of the Company), the rights of the holders of Options shall be changed to the extent necessary to comply with the ASX Listing Rules.
11. If, from time to time, before the expiry of the Options, the Company makes a pro rata issue of Shares to the holders of Shares for no consideration (a "**Bonus Issue**"), the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised prior to the record date for calculating entitlements to the Bonus Issue. The exercise price of the Options shall not change as a result of any such Bonus Issue.
12. Any calculations of a change in the Exercise Price or a change to the number of Shares to be issued on exercise of the Options required under these terms and conditions will be made by the Company, notified to the holders of the Options in writing and will be binding on the holders of the Options.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

TZ LIMITED

ABN

26 073 979 272

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 | Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 4,060,725 options |
| 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) | <ul style="list-style-type: none">• The exercise price is \$0.14• The options expire on 31 October 2013 and may be exercised at any time from the date of issue to the date of expiry |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<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"> • 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 	<p>Yes, the options rank equally with the existing quoted options.</p> <p>Any shares issued as a result of exercise of the options will, from the date of their allotment, rank equally with the then existing fully paid shares.</p>
<p>5 Issue price or consideration</p>	<p>Options to be issued for no cash consideration.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>In payment of additional consideration owing to the underwriter of the Company's recent rights issue which completed on 25 October 2012</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)		
6f	Number of securities issued under an exception in rule 7.2		
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.		
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements		
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements		
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	4 December 2012	
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		184,475,203	Ordinary fully paid shares
		38,432,245	Options exercisable at \$0.14 and expiring on 31 October 2013

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	3,000,000	CB Options exercisable at \$4.00 and expiring on 19 February 2013
		3,000,000	Options exercisable at \$0.42 and expiring on 19 February 2013
		13,714	Convertible notes at an issue price of \$1,000 per convertible note
		4,275	Secured convertible notes at an issue price of \$1,000 per convertible note
		1,750,000	Directors options exercisable at \$1.00 and expiring on 30 June 2016
		1,750,000	Directors options exercisable at \$2.00 and expiring on 30 June 2017
		1,750,000	Directors options exercisable at \$3.00 and expiring on 30 June 2018
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable	

Part 2 - Bonus issue or pro rata issue – Not applicable

11	Is security holder approval required?	No
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+ See chapter 19 for defined terms.

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 <small>Note: Security holders must be told how their entitlements are to be dealt with. 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	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 25 If the issue is contingent on +security holders' approval, the date of the meeting
- 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

+ See chapter 19 for defined terms.

- (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

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

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)

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

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.

+ See chapter 19 for defined terms.

- 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.
- 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:
(Director)

Date: 3 December 2012

Print name: Kenneth Ting

+ See chapter 19 for defined terms.