



RedFlow Limited

ACN 130 227 271

Share Purchase Plan Offer to raise up to \$4 million

The SPP closes at 5:00pm (Brisbane time) on Wednesday 14 September 2011

This is an important document and should be read in its entirety.

This document has been prepared by RedFlow Limited (the **Company**). The Share Purchase Plan (**SPP**) is an initiative that provides Eligible Shareholders with the opportunity to purchase additional shares in the Company at a discount and without brokerage and transaction costs.

The SPP does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder. Accordingly, before making a decision on whether or not to accept the Offer, you should consult your financial or other professional advisor.

This document is not a prospectus or other disclosure document under the Corporations Act 2001.

This document is not for distribution or release in the United States or to US persons.

Lead Manager of the SPP

 RBS Morgans

Corporate Directory

Board of Directors Mr Peter Pursey, AM (Non Executive Chairman) Mr Phillip Hutchings (Managing Director) Mr Christopher Winter (Executive Director) Ms Anne-Marie Birkill (Non Executive Director)	
Company Secretary Mr Paul Clarke	Legal Adviser Thomsons Lawyers Level 16, Waterfront Place 1 Eagle Street Brisbane QLD 4000
Registered Office 27 Counihan Road Seventeen Mile Rocks Brisbane, QLD 4073	Share Registry Computershare Investor Services Pty Limited 117 Victoria Street West End QLD 4001
Lead Manager to the SPP RBS Morgans Corporate Limited Level 29, 123 Eagle Street Brisbane QLD 4000	

Dear Shareholder,

RedFlow Limited recently announced a \$12 million placement to institutional and sophisticated investors (**Placement**) and a Share Purchase Plan to raise up to \$4 million (**SPP**).

The Company's Board of Directors is pleased to invite Eligible Shareholders to subscribe for new Shares in the Company under the SPP.

The proceeds from the SPP and the Placement will be used to:

- Accelerate the introduction of the large scale outsourced manufacture of the Company's core zinc-bromine battery modules (ZBM);
- Support our product roll-out in selected markets; and
- Provide additional working capital as the Company's sales grow.

Shares are being offered to Eligible Shareholders under the SPP at \$1.00 per Share (being the price at which Shares were issued to institutional and sophisticated investors under the placement announced by the Company on Wednesday 17 August 2011).

The timetable for the SPP is set out in section 1 of the Offer Booklet.

The SPP represents an opportunity for existing RedFlow shareholders to increase their shareholdings at an attractive price.

RBS Morgans Corporate Limited has been appointed to manage the SPP.

Share Purchase Plan terms and Conditions

The terms and conditions of this offer under the SPP are set out in the Terms and Conditions contained in this Offer Booklet.

By applying for shares under the SPP you agree to be bound by the Terms and Conditions. Also enclosed is an Application Form (both the Terms and Conditions and the Application Form are deemed to form part of this Offer Booklet). Participation in the SPP is entirely at your discretion.

The SPP closes at 5:00pm on Wednesday 14 September 2011, although the Closing Date may be brought forward or extended and late applications may be accepted at the discretion of the Company's directors. To apply for Shares under the SPP, please follow the instructions in the enclosed Application Form.

For questions relating to the SPP please contact the Company Secretary, Mr Paul Clarke on (07) 3177 9642, or the RedFlow Limited Shareholder Information Line on 1300 657 342 (within Australia) or +61 3 9415 4350 (outside Australia) from 8.30am to 5.00pm (AEST), Monday to Friday.

Yours Sincerely



Peter Pursey | Chairman

This page left intentionally blank

1 Timetable

Event	Date
SPP Record Date	7.00 pm (Brisbane time) on 16 August 2011
SPP Opening Date	24 August 2011
SPP Closing Date	5.00 pm (Brisbane time) on 14 September 2011
SPP Allotment Date	19 September 2011
Quotation of SPP Shares commences	21 September 2011

All references to time are to Brisbane time. The Company may change, at any time, any of the above dates, by lodging a revised timetable with ASX.

2 Offer

The Company offers Eligible Shareholders the opportunity to purchase up to \$15,000 worth of Shares at the Issue Price subject to and in accordance with the terms and conditions set out in this document.

3 Participation in the SSP

3.1 Non-renounceable

If you are an Eligible Shareholder, your rights under the SPP are personal to you and non-renounceable, so you may not transfer them.

3.2 Eligibility to participate

Only persons who are Eligible Shareholders (as defined in the Glossary of Terms in section 13 of this document) may apply. Participation in the SPP is optional.

Directors and employees of the Company who are Eligible Shareholders may participate in the SPP.

The Company has determined that, because of foreign securities laws, it is not practical for holders of Shares with registered addresses in jurisdictions outside Australia or New Zealand to participate in the SPP.

Joint holders of Shares are taken to be a single registered holder of Shares for the purposes of the SPP and the certification in the Application Form by any joint holder is taken to have been given by all joint holders.

If you receive more than one offer under the SPP (for example, because you hold Shares in more than one capacity) you may not apply for SPP Shares with an aggregate value of more than \$15,000, or which would result in the aggregate value of the Shares you have applied for, including through a custodian, under the SPP and any similar arrangement in the last 12 months being more than \$15,000.

In accordance with relevant New Zealand securities law, a person who, on the Record Date was registered as a holder of Shares with a New Zealand address but who, as at the time of this offer no longer holds Shares is not eligible to participate in the SPP.

3.3 Custodians' eligibility to participate

If you are a custodian (as defined in ASIC Class Order [CO 09/425]) and hold Shares on behalf of one or more persons (Beneficiaries), you have the discretion whether to extend this SPP to the Beneficiaries. Custodians must request a Custodian Certificate when making an application on behalf of Beneficiaries.

If you are unsure if you are a custodian, if you wish to request a Custodian Certificate or if you would like further information on how to apply, you should contact the RedFlow Limited Shareholder Information Line on 1300 657 342 (within Australia) or +61 3 9415 4350 (outside Australia) from 8.30am to 5.00pm (AEST), Monday to Friday.

If you are a custodian and you apply for SPP Shares on behalf of a Beneficiary, the Company will only issue SPP Shares to you if you have provided a Custodian Certificate to the Company which complies with the requirements of ASIC Class Order [CO09/425].

4 Issue Price

- 4.1 Determining the Issue Price** The Issue Price of each SPP Share will be \$1.00 being the price at which Shares were issued to institutional and sophisticated investors under the placement announced by the Company on Wednesday 17 August 2011.
- 4.2 Variation in market price** If you apply to participate in the SPP by making a BPAY® payment or by completing and returning the Application Form with a cheque or money order, you are accepting the risk that the market price of SPP Shares may change between the Record Date, the date on which you send in an Application Form or make a BPAY® payment and the Allotment Date. It is possible that up to or after the Allotment Date you may be able to buy Shares at a lower price than the Issue Price.
- 4.3 No transaction costs** Eligible Shareholders who participate in the SPP will pay no brokerage, commissions or other transaction costs in respect of the issue and allotment of Shares under the SPP.

5 Application to Participate

5.1 Applying for SPP Shares under the SPP

- (a) If you wish to participate in the SPP, you must either:
- (i) complete and submit an Application Form in accordance with the instructions on it and make the payments for the SPP Shares by preparing a cheque or money order for the appropriate amount in Australian dollars (as nominated by you on your Application Form) made payable to **"RedFlow Limited Share Purchase Plan A/C** and sending the completed Application Form with the cheque or money order to the following address:

RedFlow Limited

C/- Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VICTORIA 3001

to be received by the Share Registry by no later than 5:00pm (Brisbane time) on the Closing Date; or

- (ii) make a payment by BPAY® in the appropriate amount (being up to \$15,000) by using your customer reference number (which is required to identify your holding) and the biller code, which are both on your Application Form.

If you use BPAY® to make your payment you do not need to return your Application Form as receipt of your BPAY® payment will be taken by the Company as your application.

- (b) If you use BPAY® to make your payment, your payment will not be accepted after 5:00pm (Brisbane time) on the Closing Date and no SPP Shares will be issued to you if your payment is not received before this time.
- (c) If you have multiple holdings you will have multiple BPAY® reference numbers. To ensure you receive your SPP Shares in respect of each holding, you must use the specific biller code and the customer reference number shown on each personalised Application Form when paying for any SPP Shares that you wish to apply for in respect of that holding.

If you inadvertently use the same customer reference number for more than one of your applications, you will be deemed to have applied only for the application to which that customer reference number applies and any excess amount will be refunded in accordance with clause 5.3.

- (d) You can only apply for an amount set out in the definition of Parcel. In each case you will receive the number of SPP Shares determined by dividing the Parcel value by the the Issue Price. The number of SPP Shares issued to you under the SPP may be subject to a Scaleback and rounding (see clause 7).
- (e) You should be aware that your own financial institution may implement earlier cut off times for electronic payments and you should take this into consideration when making payment of application monies via BPAY®. Your financial institution may have set a limit on the amount that you can pay via BPAY®. It is your responsibility to ensure that the amount you wish to pay via BPAY® is received by the Share Registry prior to 5:00pm (Brisbane time) on the Closing Date.
- (f) Receipts for payment will not be issued. Application Forms returned by fax will not be accepted. Cash will not be accepted. Application monies will only be accepted if your cheque or money order is drawn, or your BPAY® payment is made, in Australian currency. Cheques must be drawn on an Australian financial institution. The Company will not pay interest on the application money under any circumstances.
- (g) Applications must be received by the Share Registry by 5:00pm (Brisbane time) on the Closing Date. Applications received after that time may not be accepted.

5.2 Company's discretion with regard to applications

The Company may in its sole discretion (subject to its obligations under the Corporations Act and ASIC Class Order [CO 09/425]), accept or refuse any application under the SPP, including where:

- (a) if you are not making a BPAY® payment, your Application Form is incorrectly completed, incomplete or the application is otherwise determined by the Company to be invalid;
- (b) you make your payment by cheque and the cheque is dishonoured or has otherwise not been completed correctly;
- (c) the amount of your cheque or money order or BPAY® payment is not equal to \$15,000, \$10,000, \$5,000 or \$2,500. If this occurs, the Company may either:
 - (i) refund in full your application monies and not allot any SPP Shares to you; or
 - (ii) allot to you the number of SPP Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund to you the excess of your application monies;
- (d) it appears that you are applying to purchase more than \$15,000 worth of SPP Shares in aggregate (including as a result of any Shares you hold directly, jointly or through a custodian or nominee arrangement);
- (e) your Application Form, cheque or money order, or BPAY® payment is received after 5.00pm (Brisbane time) on the Closing Date; or
- (f) the Company reasonably believes that you are not eligible to participate in the SPP (subject to compliance with any applicable ASIC or ASX requirements).

5.3 Refund of application monies

If you are entitled to a refund of all or any of your application monies the refund will be paid to you, without interest, as soon as practicable:

- (a) by direct credit to your nominated bank account (as recorded by the Share Registry) or cheque; or
- (b) by returning your Application Form and cheque or money order, if not processed, to your registered address.

6 Effect of Making an Application

If you submit a BPAY® payment or complete and return an Application Form together with a cheque or money order:

- (a) you warrant that you are an Eligible Shareholder and eligible to participate in the SPP;
- (b) you irrevocably and unconditionally agree to the terms and conditions of the SPP and the terms of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
- (c) you acknowledge that your application will be irrevocable and unconditional;
- (d) you agree to pay the Issue Price per SPP Share up to the maximum value you have selected on the Application Form or the maximum value of your BPAY® payment, subject to any Scaleback;
- (e) you certify and represent to the Company that you have not applied for more than \$15,000 worth of Shares as a result of the SPP Shares to be issued to you under the SPP.
- (f) you certify that the total of the application price for the following does not exceed \$15,000:
 - (i) SPP Shares under the SPP the subject of this application;
 - (ii) any other Shares under the SPP or any Shares issued under a similar arrangement in the 12 months before the date of your application;
 - (iii) any other Shares which you have instructed a custodian to acquire on your behalf under the SPP; and
 - (iv) any other Shares issued to a custodian under an arrangement similar to the SPP in the 12 months before the date of your application as a result of an instruction to apply for Shares on your behalf under an arrangement similar to the SPP given by you to the custodian or downstream custodian which resulted in you holding a beneficial interest in those Shares.

-
- (g) if you are a custodian, you represent to the Company that you either:
- (i) hold an Australian financial services licence that:
 - (A) covers the provision of a custodial or depository service (as defined by section 766E of the Corporations Act; or
 - (B) includes a condition requiring you to comply with the requirements of ASIC Class Order 02/294; or
 - (ii) are exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service under:
 - (A) paragraph 7.6.01(1)(k) or (na) of the Corporations Regulations 2001 (Cth);
 - (B) ASIC Class Order 05/1270 to the extent that it relates to ASIC Class Order 03/184;9
 - (C) ASIC Class Orders 03/1099, 03/1100, 03/1101, 03/1102, 04/829 or 04/1313;
 - (D) an individual instrument of relief granted by ASIC in terms similar to one of the Class Orders referred to in (C) above;
 - (E) paragraph 911A(2)(h) of the Corporations Act;
 - (iii) are a trustee of a:
 - (A) self-managed superannuation fund; or
 - (B) superannuation master trust; or
 - (iv) are the responsible entity of an IDPS-like scheme (as defined in ASIC Class Order CO 02/296 or any class order that replaces that class order); or
 - (v) are the registered holder of Shares and are noted on the register of members as holding the Shares on account of another person,
- and that you have provided a Custodian Certificate which complies with the requirements of ASIC Class Order [CO/09/425] to the Company;

-
- (h) you accept the risk associated with any refund that may be sent to your address or to your nominated bank account as shown on the Company's share register;
 - (i) you acknowledge that no interest will be paid on any application monies held pending the allotment of the SPP Shares refunded to you for any reason;
 - (j) you acknowledge that the Company, the Share Registry, and RBS Morgans have not provided any investment advice or financial product advice, and that none of them has any obligation to provide this advice in relation to your consideration as to whether or not to participate in the SPP;
 - (k) you acknowledge that the Company (and each of its officers and agents) is not liable for any consequences of the exercise or non-exercise of its discretions referred to in the SPP;
 - (l) you acknowledge that the SPP Shares have not, and will not be, registered under the US Securities Act of 1933 or the securities law of any other jurisdiction outside Australia or New Zealand and, accordingly, the SPP Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws. You may sell your SPP Shares in standard brokered transactions on the ASX where neither you nor any person acting on your behalf has reason to know that the sale has been pre-arranged with a person in the United States;
 - (m) you agree not to send the SPP or any other material relating to the SPP to any person in the United States or any other country outside Australia and New Zealand;
 - (n) you agree to be bound by the Company's constitution;
 - (o) you authorise the Company (and each of its officers and agents) to correct any error in, or omission from, the Application Form and complete the Application Form by inserting any missing details;
 - (p) you acknowledge that the Company may at any time irrevocably determine that your application is valid, in accordance with the terms and conditions of the SPP, even if the Application Form is incomplete, contains errors or is otherwise defective; and
 - (q) you are responsible for any dishonour fees or other costs the Company may incur in presenting a cheque or money order for payment that is dishonoured.

7 Scaleback

If the Company receives applications for more than \$4 million of SPP Shares under the SPP, it may in its discretion undertake a Scaleback to the extent and in the manner it sees fit.

If there is a Scaleback you may not receive all the SPP Shares for which you have applied. If a Scaleback produces a fractional number when applied to your Parcel, the number of SPP Shares you will be allotted will be rounded down to the nearest whole number of SPP Shares.

If there is a Scaleback, the difference between the application monies received from you, and the number of SPP Shares allocated to you multiplied by the Issue Price, will be refunded to you in accordance with clause 5.3.

8 Shares issued under the offer

8.1 Ranking

SPP Shares will rank equally in all respects with existing Shares quoted on ASX from the date of issue, with the same voting rights, dividend rights and other entitlements.

8.2 Application for quotation

The Company will apply for the SPP Shares issued under the SPP to be listed for quotation on the official list of ASX as soon as practicable after the Allotment Date.

9 Dispute Resolution

The Company may settle in any manner it thinks fit, any difficulties, anomalies or disputes that may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant or application. Any determinations by the Company will be conclusive and binding on all shareholders eligible to participate in the SPP and other persons to whom the determination relates. The Company's rights may be exercised by its board or any delegate of the board.

10 Variation, Suspension and Termination of SPP

10.1 Power to vary, suspend or terminate

- (a) The Company may at its discretion and at any time:
 - (i) vary, suspend or terminate the SPP. If the Company does this, it will make an announcement to the ASX. Failure to notify shareholders of changes to or the suspension or termination of the SPP, will not invalidate the change, suspension or termination; or

- (ii) waive compliance with any provision of this SPP.
- (b) The Company reserves the right to issue no SPP Shares or fewer SPP Shares than you apply for under the SPP if the Company believes the issue of those SPP Shares would contravene ASIC requirements or policy, any law or any ASX Listing Rule.

11 **Class Order [CO 09/425] Compliance**

- (a) This SPP is offered in compliance with ASIC Class Order 09/425. ASIC Class Order 09/425 provides relief from the requirement for the Company to provide full prospectus disclosure in relation to the SPP.
- (b) This instrument also provides relief to allow clients of second or subsequent level custodians to participate in the SPP. Any additionally or varied ASIC requirements in the instrument will apply to participation on behalf of such clients.

12 **Miscellaneous**

12.1 **Underwriting**

The SPP is not underwritten.

12.2 **Governing law**

These terms and conditions are governed by the laws in force in Queensland. Any dispute arising out of, or in connection with, these terms and conditions, or the offer of SPP Shares, will be determined by the courts of Queensland. By accepting this offer, you agree to submit to the exclusive jurisdiction of the courts of Queensland. Other terms and conditions, rights and obligations of SPP Shares are contained in the constitution of the Company. The terms and conditions of the SPP prevail to the extent of any inconsistency in the Application Form.

13 **Important Notices**

13.1 **Consider obtaining financial advice**

- (a) The offer to purchase SPP Shares under the SPP is not a recommendation to purchase SPP Shares. You should consider obtaining professional financial and/or taxation advice to assist you in determining whether or not, and the extent to which, you wish to participate in the SPP.
- (b) Nothing in this SPP, the Application Form or any other accompanying documentation constitutes investment or financial product advice or is intended to influence your decision whether or not to participate in the SPP.

13.2 New Zealand specific disclosure

- (a) The SPP Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of SPP Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).
- (b) This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

13.3 United States and other countries

- (a) This document may not be released or distributed in the United States. The SPP Shares have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. The SPP Shares may not be taken up by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. The SPP Shares may not be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.
- (b) The SPP does not constitute an offer of SPP Shares for sale in any other jurisdiction in which such an offer would be illegal.

14 GLOSSARY OF TERMS

Allotment Date means 19 September 2011.

Application Form means the application form accompanying this Share Purchase Plan.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the securities exchange operated by it as the context requires.

Beneficiary has the meaning given to that term by clause 3.3.

Closing Date means 14 September 2011.

Company means RedFlow Limited ACN 130 227 271.

Corporations Act means the Corporations Act 2001 (Cth).

Custodian Certificate means the certificate required to be provided by custodians as contemplated by paragraph 9 of ASIC Class Order [CO 09/425].

Eligible Shareholders means, subject to clause 3.2, a registered holder of Shares on the Record Date whose address as recorded in the Company's register of members is in Australia or New Zealand unless:

- (a) the Shares are held on behalf of another person who resides outside Australia or New Zealand and not in any other capacity; or
- (b) the registered holder is in the United States or is acting for the account of a person in the United States; or
- (c) the registered holder is ineligible to participate in the SPP because its participation would breach in ASIC Class Order 09/425.

Issue Price means the issue price of \$1.00 per SPP share.

Opening Date means 24 August 2011.

Other Custodian has the meaning given to that term in paragraph 3.

Parcel means the value of the parcel of SPP Shares that you apply for, which must be either \$15,000, \$10,000, \$5,000 or \$2,500, with the number of SPP Shares determined in accordance with the Issue Price.

RBS Morgans means RBS Morgans Corporate Limited ACN 010 539 607.

Record Date means 5:00pm (Brisbane time) on 16 August 2011.

Share Registry means Computershare Investor Services Pty Limited ACN 078 279 277.

Shares means fully paid ordinary shares in the capital of the Company.

Scaleback means a pro rata reduction (based on the value of Shares applied for) in the number of SPP Shares upon the occurrence of the circumstances outlined in clause 7.

SPP means the Share Purchase Plan offered to Eligible Shareholders under this document.

SPP Shares means the Shares to be issued to Eligible Shareholders who accept the offer under the SPP.

This page left intentionally blank

