

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 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

KTL TECHNOLOGIES LIMITED

ABN

75 009 089 981

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 | 1. Ordinary shares
2. Options exercisable after 30 June 2012 at \$0.0225 per option, expiring 30 June 2016 |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1. 512,885,462 shares
2. 256,442,731 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) | 1. Fully paid ordinary shares
2. Unlisted options exercisable after 30 June 2012 at \$0.0225 per option, expiring 30 June 2016 |

+ See chapter 19 for defined terms.

<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>1. Shares – Yes</p> <p>2. Options – No (new class of options). Options over unissued shares may only be exercised in accordance with their terms and conditions. Upon conversion of the options to shares, the shares will rank equally with existing shares</p> <p>Shares are expected to be quoted on a deferred settlement basis on 24 June 2011.</p> <p>The options will be unquoted.</p>				
<p>5 Issue price or consideration</p>	<p>1. Shares - \$0.0025 per share</p> <p>2. Options – nil (free attaching options)</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Shares and options to be issued under the Company's non-renounceable rights issue on the basis of one share for every one share held and one free attaching option for every two shares subscribed for.</p> <p>Funds raised from the rights issue will be used to fund ongoing business developments, identify potential business opportunities, partial settlement of outstanding payables and provide additional working capital.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>On or around 29 June 2011</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="766 1556 1069 1601">Number</th> <th data-bbox="1069 1556 1361 1601">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="766 1601 1069 1830">1,025,770,924</td> <td data-bbox="1069 1601 1361 1830">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	1,025,770,924	Fully paid ordinary shares
Number	+Class				
1,025,770,924	Fully paid ordinary shares				

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	12,000,000	Unlisted options exercisable at 5 cents on or before 29 May 2011
	256,442,731 options	Unlisted options exercisable after 30 June 2012 at \$0.0225 per option, expiring 30 June 2016
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Equal	

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	Non-renounceable
13 Ratio in which the +securities will be offered	1 new share for every 1 share held, together with 1 free attaching option for every 2 shares subscribed for
14 +Class of +securities to which the offer relates	Ordinary fully paid shares and unlisted options exercisable after 30 June 2012 at \$0.0225 per option, expiring 30 June 2016
15 +Record date to determine entitlements	2 June 2011
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17 Policy for deciding entitlements in relation to fractions	Rounded up to the next whole number
18 Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Not applicable
19 Closing date for receipt of acceptances or renunciations	23 June 2011

+ See chapter 19 for defined terms.

20	Names of any underwriters	KNT International Company Limited First Pioneer Holdings Limited
21	Amount of any underwriting fee or commission	Nil
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	8 June 2011
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	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do +security holders sell their entitlements in full through a broker?	Not applicable
31	How do +security holders sell part of their entitlements through a broker and accept for the balance?	Not applicable

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32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Despatch date	29 June 2011

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

(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

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

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39 Class of +securities for which
quotation is sought

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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

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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)

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

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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.
 - 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: **Rachel Wong** **Date 24 May 2011**
(Director and Company secretary)

Print name: **Rachel Wong**

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