



4 May 2015

The Manager
Company Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sirs,

Convertible Note of A\$3m

As previously reported, the Company has entered its final Phase IV of the project which is to optimise and complete the final commercial product which will have a significant bearing on the overall valuation of the Company.

Accordingly, the Company plans to issue a convertible note of A\$3m to two existing sophisticated shareholders. The issue of this convertible note enables the Company to fully explore all capital management and other potential opportunities, without time pressures.

Half of the issue will require shareholder approval as the note will be taken by an entity associated with the Directors'. The other \$1.5m has been committed by Link Traders (Aust) Pty Limited, a company associated with Laurence Freedman AM.

The terms of the convertible note will include a term of up to 12 months from the date of issue, unsecured, attract an interest rate of 8% per annum payable quarterly in arrears and be convertible to ordinary shares at the lower of the five day volume weighted average price of AKP at the time of the agreement or the five day volume weighted average share price of AKP immediately prior to the conversion.

The Company intends to call a shareholders meeting in June 2015 to consider the participation of an entity associated with Directors' in the issue. The full details of the terms and conditions of the convertible note will be set out in the Notice of Meeting which will be despatched shortly.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Ian Dennis', is written over a faint background of a grid of squares.

Ian Dennis
Director