

20 December 2018

//#1# - Addressee//

Dear Sir/Madam

Scantech Limited – Share Buy Back Offer

Your Board has resolved to give shareholders an opportunity to sell shares by accepting a Buy-Back offer from the Company in respect of some or all shares held by you at \$0.65 per share.

The background to this share Buy-Back offer is as follows:

1. The Company delisted from the Australian Stock Exchange on 19 October 2015. The last sale price prior to delisting was \$0.60 per share.
2. The Company has established a Low Volume Market however there have been few transactions conducted on the Low Volume Market and no transactions of significance.
3. The annual report for the Company for the period ended 30 June 2018 is available on the Company's website www.scantech.com.au under the "Shareholders" Tab, Reports and Publications. The key matters disclosed in the year end 30 June 2018 accounts are as follows:
 - 3.1 Revenue was \$15,706,100
 - 3.2 profit after income tax was \$1,077,717
4. The Company had cash and current financial assets at 30 June 2018 of \$2,878,160 and total current assets of \$11,509,475.
5. The total current liabilities as at 30 June 2018 were \$6,155,720.
6. There has been no adverse change in the current assets and current liabilities since 30 June 2018.
7. The Directors are satisfied that the likely acceptance of the Buy-Back offer will not materially prejudice the ability of the Company to pay its creditors.
8. The offer to Buy-Back shares is subject to the approval of shareholders at a special general meeting on Thursday 28 February 2019 and all regulatory approvals.
9. The shareholders related to the Directors do not intend to accept the Buy-Back offer.

The Company makes no recommendation to shareholders as to whether shareholders should accept the Buy-Back offer in whole or in part. Each shareholder should obtain their own professional advice on the consequences of accepting the share Buy-Back offer.

Key Dates

1. Share Buy-Back offer opens 2 January 2019.
2. Share Buy-Back offer closes at 5:00pm on 31 January 2019.
3. Special general meeting to approve the share Buy-Back Thursday 28 February 2019 at 10:00am.
4. All regulatory compliance matters being satisfied by 14 March 2019.
5. Payment of share Buy-Back price by 5 April 2019.

Shareholders who wish to accept the share Buy-Back offer must complete the attached Contract Note and return it to the Company with the required proof of identity information at the following address:

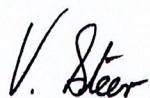
PO Box 64
Unley, South Australia, 5061.

or by email to:

v.steer@scantech.com.au

so that it is received by the Company no later than 5:00pm on 31 January 2019.

Yours faithfully
SCANTECH LIMITED



VALERIE STEER
Company Secretary

CONTRACT NOTE

Scantech Limited
PO Box 64
Unley, South Australia, 5061
Email: v.steer@scantech.com.au

I/We hereby accept the offer by Scantech Limited to Buy-Back shares at \$0.65 per share subject to approval of a general meeting of Shareholders on Thursday 28 February 2019 and all regulatory compliance by 14 March 2019 and authorise payment of the price for my/our shares to be made to the Bank Account shown in this Contract Note. Subject to all approvals, settlement of the Buy-Back of shares and payment of the purchase price will be made not later than 5 April 2019.

A Sell

Transaction

Number of Shares

Value of sale

A\$

Security Reference Number (SRN)

B Seller Details

Full name of Company, Corporation or Trust in which the securities are held (including Australian Company Number)

Seller – Title

Given Name(s) or company name

Last Name

Registered Address

Unit Number/Level

Street Number

Street Name

Suburb/Town

State

Post Code

Telephone Number

Email Address

Preferred Contact Method

Verification Procedures: For security purposes, the registration details of the Seller and the authorisation to transfer will be subject to verification. This verification process may include contacting the Seller. Where verification cannot be carried out to the satisfaction of the Registrar, the transfer may be rejected and returned with a request to provide additional information.

C Bank Details

Account Name (in block letters)

BSB and Account Number

D Proof of Identity

Attach a certified copy of one of the following. All proof of identity documentation will be used solely for the purpose of this transaction and will be destroyed after the sale is completed:

- Drivers Licence
- Australian Passport (that has not expired more than 2 years ago)
- International Travel Document – foreign passport (that has not expired more than 2 years ago)
- Proof of Age Card
- National Identity Card

E Shareholder Execution

The Scantech Limited Share Buy-Back is subject to shareholder approval at the Special General Meeting Thursday 28 February 2019 at 10.00 a.m. and all regulatory compliance by 14 March 2019. Subject to those conditions, payment will be made to the bank account nominated above by 5 April 2019.

Shareholder1 (individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (individual)

Director/Company Secretary (delete one)

Joint Shareholder 3 (individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001(Cth).

Date