

ENTELECT LIMITED
(ASX: ESN)

15 July 2011

ASX and Media Release**Update on Rights Issue and Placement**

Further to the announcement made by Entellect Limited (**Entellect** or the **Company**) on 13 July 2011, Entellect is pleased to advise that it has successfully completed its recapitalisation pursuant to the Rights Issue (with a public offer component) in conjunction with the Placement (collectively the **Offer**), in accordance with the terms set out in the Company's Replacement Prospectus dated 17 June 2011.

As indicated in the Replacement Prospectus, the Company has applied to the Australian Securities Exchange (**ASX**) for re-quotation of its shares on the ASX upon successful completion of the Offer.

The Company's re-quotation of its shares on the official list of the ASX is subject to the satisfaction of a number of conditions prescribed by the ASX. The Company is confident that these conditions have been met, and is presently awaiting formal approval from the ASX for its shares to be re-quoted and resume trading on the ASX.

Upon obtaining approval from the ASX, the Company will be in a position to issue and allot the new shares under the Offer. A further announcement will be made when these dates can be confirmed.

Pursuant to the Offer, the new shares which will be allotted are as follows:

- 1) 697,913,920 shares comprising:
 - a. 65,498,692 shares taken up under the Offer by eligible applicants;
 - b. 632,415,228 shortfall shares taken up by investor clients of the Underwriter, Furneaux Equity Limited (**Furneaux**); and
- 2) 167,584,772 placement shares to investor clients of Furneaux.

The total number of new shares to be allotted is therefore 865,498,692. Based on an issue price of \$0.005 per share, the total proceeds due to the Company from the Offer is \$4,327,493.46.

As a result of the Offer, Entellect will have 952,737,932 fully paid ordinary shares and 16,161,570 options on issue.

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For further information, please contact:

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