

Chairman's Update 13 May 2013

A General Meeting of Shareholders of Fertoz was held on Tuesday May 1 in Sydney. The following resolutions were passed unanimously:

1 - Conversion of the Company's shares into a smaller number

Every 3.25 shares have been consolidated into 1 share with effect from the close of the meeting.

2 – Adjustment to Directors' Option package

Every 3.25 Options have been consolidated into 1 Option with effect from the close of the meeting. The exercise price of the shares has remained unchanged – varying between 25 cents and 55 cents. Total Options on issue to Directors are 5,846,154.

3 – Employee Share Scheme Options package

When Fertoz introduces an Employee Share Scheme the maximum Options that may be allocated to employees of the Company as part of an incentive scheme, in any consecutive 2 year period is 10% of the total shares on issue at the time.

The Board is working with Blackwood Capital to effect the proposed listing. Preliminary meetings with IPO investors have begun, with the aim to begin public trading in July. For any further information please do not hesitate to contact any of the Board members or Stuart Richardson of Blackwood Capital.

Yours faithfully,

James Chisholm

Chairman