

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

Allied Brands Limited (*Company*)

ABN

20 108 958 274

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 | Ordinary fully paid shares (Ordinary Shares) and unlisted options over Ordinary Shares (Options) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1,233,046 Ordinary Shares
246,609 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) | Ordinary Shares will rank pari passu with existing Ordinary Shares.

Options exercisable at \$0.1251 per Option into Ordinary Shares on or before 18 May 2015. |

+ See chapter 19 for defined terms.

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4	Do the ⁺ securities rank equally in all respects from the date of allotment with an existing ⁺ class of quoted ⁺ securities?	The Ordinary Shares rank pari passu with existing Ordinary Shares.
	If the additional securities do not rank equally, please state:	The Options will not be quoted. On exercise of the Options, the Ordinary Shares issued will rank pari passu with existing Ordinary Shares.
	<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	
5	Issue price or consideration	Consideration for the repayment of \$100,000.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The purpose of the issue is to repay funds provided to the Company pursuant to a Convertible Loan Agreement, details of which were announced to the market on 14 January 2010.
7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	19 May 2010

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	199,587,170	Ordinary Shares
	1,333,333 escrowed until 27 July 2010	
	333,333 escrowed until 27 July 2010	
	300,000 escrowed until 27 July 2010	
	100,000 escrowed until 8 October 2010	
	66,667 escrowed until 8 October 2010	
	166,667 escrowed until 8 October 2010	
	1,666,666 escrowed until 2 February 2011	
	230,769 escrowed until 6 February 2011	
	333,333 escrowed until 27 July 2011	
	1,666,668 escrowed until 2 February 2012	
	452,162 escrowed until 18 February 2012	
	333,334 escrowed until 27 July 2012	

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<p>9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)</p>	<p>29,372,394</p>	<p>Options exercisable at \$0.60 before 29 December 2010</p>
	<p>400,000</p>	<p>Options exercisable at \$0.35 before 23 May 2011</p>
	<p>3,000,000</p>	<p>Options expiring 13 January 2015 exercisable in accordance with the terms of the Convertible Loan Agreement</p>
	<p>267,619</p>	<p>Options expiring 11 February 2015 exercisable in accordance with the terms of the Convertible Loan Agreement</p>
	<p>221,239</p>	<p>Options expiring 17 March 2015 exercisable in accordance with the terms of the Convertible Loan Agreement</p>
	<p>220,994</p>	<p>Options expiring 18 April 2015 exercisable in accordance with the terms of the Convertible Loan Agreement</p>
	<p>246,609</p>	<p>Options exercisable at \$0.1251 before 19 May 2015</p>

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Number	+Class
150,000	Convertible Notes granted to the value of \$150,000 a price determined in accordance with the terms of the Convertible Loan Agreement
11,580,000	Convertible Notes
1,200,000	Partly paid \$0.60 Shares
900,000	Partly paid \$0.65 Shares

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) Unchanged

Part 2 - Bonus issue or pro rata issue

- 11 Is security holder approval required? Not applicable
- 12 Is the issue renounceable or non-renounceable? Not applicable
- 13 Ratio in which the +securities will be offered Not applicable
- 14 +Class of +securities to which the offer relates Not applicable
- 15 +Record date to determine entitlements Not applicable
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? Not applicable
- 17 Policy for deciding entitlements in relation to fractions Not applicable

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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	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
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	Not applicable
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 <i>in full</i> through a broker?	Not applicable
31	How do +security holders sell <i>part</i> 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 Not applicable

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

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Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	Not applicable	
39	Class of +securities for which quotation is sought	Not applicable	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?	Not applicable	
<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 			
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)	Not applicable	
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	Number	+Class
		Not applicable	

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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: 
(Director/Company secretary)

Date: ...19 May 2010...

Print name:Sean Corbin.....

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