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ASX RELEASE | De.mem Limited (ASX:DEM)

17 July 2019: De.mem Limited (ASX:DEM) ("De.mem" or "the Company") advises that it is in negotiations with an Australian company in relation to a potential acquisition. The negotiations are incomplete and there can be no certainty that any agreement will be reached, or that any investment or transaction will eventuate on the proposed terms set out below, or at all.

The key terms of the non-binding term sheet which are as follows:

a. Names of the counterparties: Mr Grant Petterwood, Mr Graham Van Essen, Pumptech Tasmania Pty Ltd.
b. Consideration value: The indicative terms of the transaction which are non-binding, incomplete and subject to change are:
    i. De.mem will acquire 100% of the shares; and
    ii. Indicative purchase price of $900,000 in cash paid in three tranches ($450,000 at completion and $150,000 each over three years from the acquisition) plus $150,000 in De.mem shares payable on or about completion.
c. Material terms on the non-binding term sheet that is subject to change:
    i. De.mem will acquire 100% of the shares;
    ii. Subject to completion of due diligence satisfactory to the Company;
    iii. Agreement on and execution of definitive legal agreements including key personnel service agreements;
    iv. Completion of all regulatory requirements, including any requirements of the Australian Securities Exchange;
    v. Final approval by the De.mem Board of Directors and shareholders, if required; and
    vi. Agreement on revenue and operating budget for the next 24 months.

The Company will provide further updates to the market in due course in accordance with its continuous disclosure obligations.

-Ends-

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About De.mem Limited

De.mem Limited (ASX:DEM) is a Singaporean-Australian decentralised water and waste water treatment business that designs, builds, owns and operates turn-key water and waste water treatment systems for its clients. The Company operates in the industrial segment providing systems and solutions to customers from the mining, electronics, chemicals, oil & gas and the food & beverage industries and in the municipal and residential segments. De.mem makes use of a portfolio of proprietary hollow fibre membrane technologies, which are commercialized as a key component within the Company's water and waste water treatment systems. Some of the technologies were originally developed by the De.mem's partner in research & development, Singapore's Nanyang Technological University (NTU), and exclusively licensed to the Company. Those include a revolutionary low-pressure hollow fibre nanofiltration membrane and a hollow fibre forward osmosis membrane for de-watering or concentration of liquids. Through its wholly owned subsidiary De.mem-Akwa Pty Ltd (formerly: Akwa-Worx Pty Ltd), De.mem has a strong presence in Australia. De.mem-Akwa has a market reputation for building high quality Australian-made water and waste water treatment systems and has long-term customers in the Australian mining, infrastructure and food & beverage industries. To learn more please visit: www.demembranes.com

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