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Letter of Intent to entered into to sell Bandwidth Foundry International Pty Limited ("BFI") to the University of Sydney

Arasor International Limited (ASX: ARR) is pleased announce a proposed sale of its Bandwidth Foundry International Pty Limited ("BFI") subsidiary to the University of Sydney ("the University") for the purchase consideration of \$1, the payment of the known liabilities that BFI has incurred (expected to be approximately AU \$525K) and the costs of the transaction. The expectation is to complete this transaction within approx. one month.

William Mackenzie, CEO of Arasor International stated "The transaction continues the strategy of reducing liabilities, burn rate and allows the company to focus on high growth opportunities in china and the joint venture with ZTEI. The people and wafer fabrication facility will bring value to a research facility such as the University of Sydney".

About Arasor International Limited

Arasor International Limited develops and markets telecommunications and consumer optoelectronic solutions. Arasor aims to establish itself as leading Solutions Company serving global systems vendors in the network transport and the emerging laser-based display industries. Arasor's worldwide headquarters are located in Guangzhou China with operations in Tianjin, China; Sydney, Australia and Yokohama, Japan. For additional information: www.arasor.net

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