



30 June 2009

[Insert name]
[Insert address line 1]
[Insert address line 2]
[Insert address line 3]

Dear Shareholder

Patrys Limited Share Offers:

- **Renounceable Rights Issue Offer**
- **Share Top Up Offer for any shortfall under the Rights Issue**

Patrys Limited announced on 29 June 2009 a renounceable Rights Issue and Share Top Up Offer to Eligible Shareholders at an issue price of 25 cents per share to raise approximately \$6.8 million. A copy of the announcement is available on the Company's website (www.patrys.com) and also on the ASX Announcement Platform.

The Rights Issue is conditionally underwritten by PNK Holdings Limited (**PNK**), a company associated with Mr Michael Stork (an existing Patrys non-executive director). The PNK underwriting is conditional on Patrys shareholder approval and shareholders will find enclosed a notice of meeting for a meeting to be held on 31 July 2009. You are encouraged to carefully consider the Notice of Meeting and accompanying Explanatory Notes.

Due to the complications associated with extending the offers to overseas jurisdictions, the offer to participate in the Rights Issue and Share Top Up Offer will only be made to shareholders that meet the following two criteria:

- (i) the shareholder is recorded on the register of Patrys at 7.00 p.m. on 7 July 2009 (Record Date), and
- (ii) the shareholder resides in Australia, New Zealand or Canada (Eligible Shareholder(s)).

The Rights Issue and the Share Top Up Offer are to be open concurrently to Patrys Eligible Shareholders and details of the timetable are as follows -

Initial announcement of Rights Issue and Share Top Up Offer, lodgement of Appendix 3B and s708AA notice. Further announcement of general meeting of shareholders to consider approval of conditional PNK Underwriting Agreement	Monday 29 June 2009
Dispatch notice of meeting to shareholders and notice satisfying 3B requirements (including timetable)	Tuesday 30 June 2009

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"Ex" Date (i.e. date from which securities are quoted on an ex basis and rights trading starts)	Wednesday 1 July 2009
Record Date (i.e. date for determining entitlement to participate in the Rights Issue and Share Top Up Offer)	Tuesday 7 July 2009
Dispatch of Rights Issue and Share Top Up Offer document and personalised Entitlement and Acceptance Form	Friday 10 July 2009
EGM for Patrys shareholders to consider approval of the PNK underwriting of the Rights Issue	Friday 31 July 2009
Rights trading ends	Wednesday 5 August 2009
Deferred trading commences	Thursday 6 August 2009
Closing Date	Wednesday 12 August 2009
Company notifies ASX of under subscriptions	Monday 17 August 2009
Allotment of shares under Rights Issue and Share Top Up Offer and despatch of holding statements	Thursday 20 August 2009
Trading of shares issued under Rights Issue and Share Top Up Offer expected to commence on ASX	Friday 21 August 2009

* Note: This timetable is indicative only and subject to change. The Company reserves the right to change the dates, including the Closing Date without prior notice, subject to the Listing Rules. Any extension of the Closing Date will have a consequential effect on the anticipated date for allotment and issue of the new shares.

As outlined above, the offer documentation and formal Entitlement and Acceptance form will be mailed to all Eligible Shareholders on or around Friday, 10 July 2009.

If you have any questions please do not hesitate to contact Roger McPherson, Company Secretary, on (03) 9670 3273 or info@patrys.com or seek your own independent financial and legal advice.

Yours faithfully,



.....
John D Read
Chairman

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Patrys Limited

ACN 123 055 363

Notice of Extraordinary General Meeting

To be held at Middletons, Level 25, 525 Collins Street, Melbourne, Victoria
on 31 July 2009 at 11:00 a.m. (AEST)

THIS IS AN IMPORTANT DOCUMENT

**If you are in doubt as to what to do with this document please
immediately see your legal adviser, financial adviser or stockbroker**

Patrys Limited
ACN 123 055 363

Notice of Extraordinary General Meeting

Notice is given that an extraordinary general meeting of the members of Patrys Limited (**Company**) will be held at Middletons, Level 25, 525 Collins Street, Melbourne, Victoria on 31 July 2009 at 11:00 a.m. (AEST) for the purpose of considering and, if thought appropriate, passing the following resolution.

Appointment of PNK Holdings Limited as underwriter to Rights Issue

To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of Chapter 2E of the Corporations Act 2001 (Cth) and for all other purposes, approval is granted for the Company to enter into an underwriting agreement and appoint PNK Holdings Limited as the underwriter of the proposed 1 for 6 renounceable rights issue at 25 cents per share and for the issue of ordinary shares in the Company to PNK Holdings Limited pursuant to the underwriting agreement, in each case on the terms outlined in the attached Explanatory Notes.”

By order of the Board:



.....
Roger McPherson
Company Secretary
26 June 2009

NOTES

1. How to Vote and Voting Entitlements

You may vote by attending the meeting in person, by proxy or authorised representative.

Pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the holders of the Company's shares for the purposes of the meeting, will be those registered holders of shares at 7.00 p.m. (AEST) on 29 July 2009.

2. Voting in Person or by Corporate Representative

To vote in person, attend the meeting on the date and time and at the place set out above. If you plan on attending the meeting please arrive at the venue 30 minutes prior to the time designated for the meeting so that the Company may check your shareholding against the Company's share register and note your attendance.

If a corporate Shareholder wishes to appoint a person to act as its representative at the meeting that person should be provided with a letter or certificate authorising him or her as the company's representative. The appointment must comply with the requirements of section 250D of the *Corporations Act 2001 (Cth)* and the representative should bring to the meeting evidence of their appointment, including any authority under which such appointment is signed.

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Patrys Limited
ACN 123 055 363

Explanatory Notes

These explanatory notes have been prepared to provide members with sufficient information to assess the merits of the resolution contained in the accompanying notice of extraordinary general meeting to be held at Middletons, Level 25, 525 Collins Street, Melbourne, Victoria on **31 July 2009 at 11:00 a.m.** (AEST).

Business

1. Background - Proposed Rights Issue and Share Top Up Offer

Patrys Limited (**Patrys; the Company**) has announced an offer to Patrys shareholders of both a 1 for 6 renounceable rights issue (**Rights Issue**) and a share top up offer to all shareholders except PNK Holdings Limited (**Share Top Up Offer**) to raise in aggregate up to approximately \$6.8 million. Patrys shares are to be offered under both the Rights Issue and the Share Top Up Offer at an issue price of 25 cents per share and the closing price for Patrys shares on 25 June 2009 was 10 cents per share.

PNK Holdings Limited (**PNK Holdings**), a company associated with Mr Michael Stork, who is an existing Patrys non-executive director, has entered into a conditional underwriting agreement with Patrys pursuant to which PNK Holdings has agreed to subscribe for any shortfall under the Rights Issue less the amount received by Patrys under the pro rata Share Top Up Offer, but in any event up to a maximum underwriting of \$5 million less the amount subscribed by PNK Holdings itself under the Rights Issue (**PNK Underwriting**). As noted, the Share Top Up Offer is being made to all shareholders other than PNK Holdings.

PNK Holdings has already invested approximately \$8 million dollars in aggregate in Patrys and one of its predecessor companies (Acceptys, Inc.) since 2002. PNK Holdings currently controls approximately 23% of Patrys issued ordinary share capital.

The PNK Underwriting is conditional on Patrys shareholder approval of the resolution which is the subject of this Notice of Meeting (**Resolution**).

If Patrys shareholders do not approve the PNK Underwriting, Patrys will continue with the Rights Issue and Share Top Up Offer but it will not be underwritten.

2. Regulatory Requirements for the Resolution

Under the *Corporations Act 2001 (Cth)*, the provision of any financial benefit (which can include the issue of securities / shares) to a related party requires prior shareholder approval in accordance with the procedure set out in Part 2E.1 of that Act. The operation of Part 2E.1 extends to or encompasses the issuance of shares to a related party.

A "related party" (as defined in the Act) includes directors of the company and their associated entities. PNK Holdings is thus a related party of Patrys. Accordingly, the Patrys Board is seeking shareholder approval of the PNK Underwriting.

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3. Overview of the Rights Issue and Share Top Up Offer

Patrys is seeking to raise additional capital via a renounceable Rights Issue to current shareholders; plus at the same time offering Patrys shareholders (other than PNK Holdings) a pro rata Share Top Up Offer should there be any shortfall under that Rights Issue.

The structure of a renounceable Rights Issue with a Share Top Up Offer has been designed to provide the maximum opportunity to existing Patrys shareholders (other than PNK Holdings) to benefit from (i) participating in the Rights Issue, (ii) selling their rights/entitlement to additional Patrys shares under the Rights Issue (hence the offer being 'renounceable'), and/or (iii) subscribing for further Patrys shares (via the Share Top Up Offer).

The offer price under both the Rights Issue and the Share Top Up Offer is 25 cents per share. The closing price of Patrys shares on 25 June 2009 was 10 cents.

While the Patrys Board can not forecast the level of subscription under the Rights Issue and the Share Top Up Offer, pursuant to the structure of the Rights Issue, Share Top Up Offer and PNK Underwriting, PNK Holdings current interest in Patrys can (i) fall below 23% if shareholders other than PNK Holdings invest greater than \$5.4 million; (ii) stay at 23% should shareholders other than PNK Holdings invest \$5.4 million; or (iii) increase to a range between 23% and a maximum of 31% should shareholders other than PNK Holdings choose to invest, respectively, between \$5.4 million and \$zero. Patrys shareholders should consider these possible impacts on the interest of PNK Holdings in Patrys under the proposed transactions.

Having regard to PNK Holdings related party status, the Patrys Board is presenting the PNK Underwriting to shareholders for their approval pursuant to the provisions of Chapter 2E of the Corporations Act and for all other purposes.

3.1 Advantages and Disadvantages of the PNK Underwriting

Advantages

Patrys will at a minimum be able to raise an additional \$5 million at an issue price of 25 cents per share. The proceeds of the capital raising when added to current cash reserves will allow Patrys to support in part its current operations and business development activities.

Disadvantages

It is possible that PNK Holdings' interest in Patrys could increase above the current level of 22.92% to a maximum of 31.29% (in the case of no other shareholder participating in the offers). Please see section 5.2 for further details on the possible effect on "relevant interest" of PNK Holdings Limited in Patrys shares as underwriter.

In the event that PNK Holdings increases its shareholding pursuant to the PNK Underwriting, then there may be a concentration of ordinary shares amongst Patrys' major shareholders and a possible consequential reduction in market liquidity.

4. Impact of the Rights Issue and Share Top Up Offers on Share Capital

4.1 Increase in share capital

The total number of Patrys ordinary fully paid shares which may be issued in aggregate under the Rights Issue and the Share Top Up Offer to all shareholders (including PNK Holdings) is:

- (a) at the underwritten commitment of \$5 million: 20,000,000 ordinary fully paid Patrys shares;
- (b) at the maximum combined Rights Issue and Share Top Up Offer of approximately \$6.8 million: 27,358,579 ordinary fully paid Patrys shares.

4.2 Share capital structure

The following table details the Company's existing ordinary fully paid share capital and details of the change in the ordinary fully paid share capital following the completion of the Rights Issue and the Share Top Up Offer*.

Category		Minimum \$5 million raised	Maximum \$6.8 million raised
Currently Issued Shares	Number	164,151,475	164,151,475
	Percent	89.1%	85.7%
New Shares Under Rights Issue and Top Up Offer	Number	20,000,000	27,358,579
	Percent	10.9%	14.3%
Total	Number	184,151,475	191,510,054
	Percent	100.0%	100.0%

*Note: The above table does not provide for the impact of the exercise of any of the existing options that have been granted by the Company. There are currently 29,639,530 options which have been granted with exercise prices which range between \$0.17 and \$0.80

5. Conditional underwriting by PNK Holdings

5.1 PNK Holdings – underwriting agreement

The conditional underwriting agreement entered into by Patrys and PNK Holdings contains common termination events including a market drop termination where the ASX market drops by more than 20% compared to the ASX at the time the underwriting agreement is entered into by the parties.

The Underwriter (PNK Holdings) and Mr Michael Stork will **NOT** be paid any remuneration, fee or commission for underwriting the Rights Issue.

However, the Underwriter will be reimbursed for any reasonable legal costs and disbursements incurred by the Underwriter in connection with the Rights Issue, the Share Top Up Offer, the underwriting, the preparation of the underwriting agreement and any and all collateral documents pertaining to the underwriting. The Underwriter cannot sub-underwrite all or any part of a shortfall under the Rights Issue.

A copy of the Underwriting Agreement is available for inspection free of charge during business hours by members at the registered office of the Company, Suite 614, Level 6, 343 Little Collins Street, Melbourne from the date hereof until 30 July 2009

5.2 Effect on “relevant interest” of PNK Holdings Limited in Patrys shares

The potential effect the underwriting of the Rights Issue will have on the relevant interest of PNK Holdings will depend on the extent to which Eligible Shareholders participate in both the Rights Issue and the Share Top Up Offer.

The table below shows the range of effects on the Company's issued ordinary fully paid share capital if all the shares offered under the Rights Issue / Share Top Up Offer are subscribed for by the Eligible Shareholders or if all of the shares offered under the Rights Issue / Share Top Up are subscribed for by the Underwriter.

Shareholder	Existing percentage interest in the Company on Offer Date	Percentage interest in the Company on completion of the Rights Issue	
		If all the Rights Issue Shares and shares pursuant to the Share Top Up are subscribed for by the Eligible Shareholders	If all the Rights Issue Shares are subscribed for by the Underwriter (up to \$5 million)
PNK Holdings Ltd*	22.92	21.94	31.29
All other shareholders	77.08	78.06	68.71

*Note: In addition to the above interests Mr Stork also holds 300,000 options, each option convertible into one Patrys share at an exercise price of \$0.2609 cents per share.

5.3 Intentions of PNK as a consequence of any shortfall under the PNK Underwriting Agreement

PNK has confirmed to Patrys that even if the maximum commitment of \$5 million was subscribed by PNK at 25 cents under the PNK Underwriting Agreement, it is PNK's current intention that it would not use its increased share ownership position to change the composition of Patrys board or use its influence to change the Company's dividend policy, employment policies or any key operational matters.

6. Regulatory Requirements in respect of the Resolution

6.1 The Resolution

The Resolution seeks Patrys shareholder approval for the provision of a “financial benefit” under the conditional underwriting arrangements by the Company to PNK Holdings pursuant to Chapter 2E of the Corporations Act and for all other purposes.

6.2 Part 2E of the Corporations Act 2001 (Cth) – Related Party Transaction

The following information is provided in accordance with section 219 of the *Corporations Act 2001 (Cth)*:

- (a) The related party to whom the proposed resolution will permit a financial benefit to be given:

Mr Michael Stork and his associated entity PNK Holdings.

- (b) The nature of the financial benefit:
- The issue to PNK Holdings of that number of Patrys shares (at an offer price of 25 cents per share) equal to the shortfall (if any) under the Rights Issue less the amount received by Patrys under the pro rata Share Top Up Offer, but in any event up to a maximum underwriting by PNK Holdings of AU\$5 million less the amount subscribed by PNK Holdings itself under the Rights Issue.
- (c) Recommendations by each of the Directors of the Company:
- Each of the Patrys Directors (other than Mr Stork) recommends the appointment of PNK as underwriter to the Rights Issue and the entry into the underwriting agreement for the following key reasons (i) the price offered by PNK is fair in the opinion of such Directors (other than Mr Stork); (ii) PNK is a long-term supporter of Patrys and its predecessor company; (iii) the underwriting by PNK, with no associated fees, is materially less expensive than what may be expected through an underwriting with a broker or other like financial entity; (iv) the ability to raise money via this underwriting, at a premium to market, is of benefit to the Company; and (v) the underwriting allows the Company to plan with a degree of certitude its future development programs
- (d) In relation to each such Director, their interests in the Resolution:
- Apart from Mr Stork, none of the Patrys Directors has any personal interest in the outcome of the Resolution.
- (e) All other information that would be required by members in order to decide whether or not it is in the Company's best interest to pass the Resolution:
- Except for the information in this Notice and Explanatory Notes, there is as at the date hereof no other information known to the Company or any of its Directors that would reasonably be required by members to decide whether or not it is in the Company's best interest to pass the Resolution. The Company continues to comply with its obligations to make disclosure to the market in accordance with the ASX Listing Rules.

6.3 Voting Exclusion Statement

The Company will disregard any votes cast in respect of this Resolution by:

- Mr Stork, or
- PNK Holdings, or
- any associate of Mr Stork or PNK Holdings.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

7. Timetable

The proposed timetable* for the Rights Issue and Share Top Up Offer is as follows:

Initial announcement of Rights Issue and Share Top Up Offer, lodgement of Appendix 3B and s708AA notice. Further announcement of general meeting of shareholders to consider approval of conditional PNK Underwriting Agreement	Monday 29 June 2009
Dispatch notice of meeting to shareholders and notice satisfying 3B requirements (including timetable)	Tuesday 30 June 2009
"Ex" Date (ie. date from which securities are quoted on an ex basis and rights trading starts)	Wednesday 1 July 2009
Record Date (ie. date for determining entitlement to participate in the Rights Issue and Share Top Up Offer)	Tuesday 7 July 2009
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* Note: This timetable is indicative only and subject to change. The Company reserves the right to change the dates, including the Closing Date without prior notice, subject to the Listing Rules. Any extension of the Closing Date will have a consequential effect on the anticipated date for allotment and issue of the new shares.

8. Further information

As at the date of this Notice, the Patrys Directors are not aware of any other information which is relevant to the consideration by members of the proposed resolution set out in the notice of the extraordinary general meeting.

The Patrys Directors recommend members read these explanatory notes in full and, if desired, seek advice from their own independent financial or legal adviser as to the effect of the proposed resolutions before making any decision in relation to the proposed resolutions.

000001 000 PAB
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 11.00am Wednesday 29 July 2009

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I999999999



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MR SAM SAMPLE
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SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Patrys Limited hereby appoint

the Chairman of the meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of Patrys Limited to be held at Middletons, Level 25, 525 Collins Street, Melbourne, Victoria on Friday, 31/7/2009 at 11.00am and at any adjournment of that meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

1 Appointment of PNK Holdings Limited as underwriter to Rights Issue

	For	Against	Abstain
1 Appointment of PNK Holdings Limited as underwriter to Rights Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____

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