



16 January 2018

Dear Shareholder

Notification of underwritten non-renounceable entitlement issue

On 15 January 2018, Patrys Limited (**Company**) announced a non-renounceable entitlement issue of fully paid ordinary shares (**Entitlement Offer**). An offer document setting out the terms and conditions of the Entitlement Offer was lodged with ASX Limited (**ASX**) on 15 January 2018 (**Offer Document**) and will be sent to all eligible shareholders together with a personalised Entitlement and Acceptance Form on 22 January 2018.

This letter gives shareholders brief details of the Entitlement Offer, certain information required under the ASX Listing Rules, proposed use of funds and the important dates of the Entitlement Offer. The Entitlement Offer is non-renounceable which means that rights cannot be traded or sold.

The new shares to be issued pursuant to the Entitlement Offer will rank equally with the Company's existing fully paid ordinary shares.

The Entitlement Offer is only open to eligible shareholders, being shareholders whose registered address is in Australia or New Zealand at 7.00pm on AEDT on 18 January 2018.

The Company has determined that it would be unreasonable to make offers under the Entitlement Offer to all shareholders with addresses outside of Australia or New Zealand (**Ineligible Shareholders**) having regard to the Company's current shareholding and the costs of complying with legal and regulatory requirements in those jurisdictions. Accordingly, the Entitlement Offer is not being extended to Ineligible Shareholders. Any entitlements to such shares will lapse and the relevant shares will form part of the additional shares and shortfall under the Entitlement Offer.

Actions required by Eligible Shareholders

To take up all of your rights to subscribe for shares pursuant to the Offer Document (**Entitlement**), you must ensure that your application money for your Entitlement is received by the share registry Computershare no later than 5pm (AEST) on 9 February 2018, as outlined in your personalised Entitlement and Acceptance Form.

If you only wish to accept part of your Entitlement, you must ensure that your application money for the Entitlements you wish to take up is received by the share registry Computershare no later than 5pm (AEST) on 9 February 2018, as outlined in your personalised Entitlement and Acceptance Form.

Eligible Shareholders will also be given the opportunity to apply for additional share above their Entitlement (**Top-Up Shares**). The allocation of any Top-Up Shares will be subject to the Company's discretion and limited to the extent that there are sufficient new shares from shareholders who did not take up their Entitlement.

You are not obliged to take up your Entitlement. However, if you do not take up your Entitlement, your existing interest in the Company will be diluted.

If you hold shares in the Company as nominee or custodian of an Ineligible Shareholder(s), the Company requests you not to:

- (a) send any Offer Document to Ineligible Shareholders; and
- (b) submit any Entitlement or Acceptance Form for the Entitlement Offer or otherwise purchase shares under the Offer Document on behalf of any such Ineligible Shareholder.

Funds raised under the Entitlement Offer may be used to pay the costs of the issue, ongoing development of the Company's assets and for working capital requirements.

Details of the Entitlement Offer are as follows:

Type of issue	Pro-rata non-renounceable entitlement issue of fully paid ordinary shares (Shares) of 2 Shares for each 11 Shares held.
Issue price	\$0.017 (1.7 cents) per Share.
Number of shares to be issued	Up to 142,074,317 Shares.
Amount to be raised	Up to \$2,415,263
Rights trading	Rights cannot be traded or sold.
Top-Up Shares	Eligible shareholders can apply for Top-Up Shares in excess of their Entitlement. Top-Up Shares will be allocated in accordance with the allocation policy set out in the Offer Document. Any entitlement and additional Shares not taken by eligible shareholders will form part of the shortfall. The directors of the Company reserve the right to place the shortfall Shares at their absolute discretion.
Shortfall	The Company has entered into an underwriting agreement with Somers and Partners Pty Ltd ABN 46 149 263 543 (Somers) under which Somers has agreed to underwrite the Entitlement Offer, subject to terms and conditions which are customary for agreements of this kind. The Company must pay Somers an underwriting fee of 4% and management fee of 1% of the underwritten amount.
Listing	The Company has applied to ASX for quotation of the Shares.
Key indicative dates*	
Announcement of Offer	15 January 2018
Lodgement of cleansing notice, Offer Document and Appendix 3B with ASX	15 January 2018
Notice sent to shareholders	16 January 2018
Ex Date	17 January 2018
Record Date for determining entitlements	18 January 2018
Offer Document despatched to eligible shareholders and Company announces despatch has been completed	22 January 2018
Closing Date	9 February 2018
Securities quoted on a deferred settlement basis	12 February 2018
ASX notified of under subscriptions	13 February 2018
Issue date	16 February 2018

**The above timetable is indicative only and subject to change. Subject to the ASX Listing Rules, the directors of the Company reserve the right to vary these dates, including the Closing Date, without*

notice. The directors may extend the period of the Entitlement Offer or bring forward the Closing Date at their discretion.

Full details of the terms and conditions of the Entitlement Offer are contained in the Offer Document which is available on the ASX website www.asx.com.au by searching under the ASX Code "PAB."

Yours faithfully

A handwritten signature in black ink, appearing to read 'J Campbell', with a stylized flourish at the end.

James Campbell
Chief Executive Officer