



10 April 2017

Pro-rata Entitlement Offer – Notification to Ineligible Shareholders

On 3 April 2017, Opthea Limited ("Opthea") announced that it was conducting a capital raising of approximately A\$45 million by way of:

- (a) an institutional placement to raise approximately A\$35 million; and
- (b) a pro rata accelerated non-renounceable entitlement offer to eligible shareholders to subscribe for 1 new Opthea share ("New Shares") for every 14 existing Opthea shares ("Existing Shares") held at 7.00pm (AEST) on Wednesday, 5 April 2017 ("Record Date") to raise approximately A\$10 million (the "Entitlement Offer").

Wilsons Corporate Finance Limited is acting as sole lead manager (the "Lead Manager").

The Entitlement Offer is being conducted in two parts: the institutional component ("Institutional Entitlement Offer") and the retail component ("Retail Entitlement Offer"). The terms of the Entitlement Offer are detailed in an ASX announcement and investor presentation dated 3 April 2017 and a Retail Offer Booklet dated 10 April 2017 ("Offer Document"). The Entitlement Offer is not underwritten.

The proceeds of the Offer will be predominantly used to continue testing of OPT-302 as a therapy for eye disease through an expanded clinical development program, including a Phase 2B clinical trial in approximately 350 wet AMD patients and Phase 2A clinical trials in diabetic macular edema and wet AMD patients who have been previously treated with anti-VEGF-A therapy and shown a sub-optimal clinical response.

Under the terms of the Entitlement Offer, you are either an Ineligible Institutional Shareholder or an Ineligible Retail Shareholder (both defined below) and accordingly you are not eligible to subscribe for New Shares under the Entitlement Offer.

What is the Entitlement Offer?

The Entitlement Offer involves an offer to Eligible Institutional Shareholders under the Institutional Entitlement Offer and Eligible Retail Shareholders under the Retail Entitlement Offer, in each case, of an entitlement to subscribe for 1 New Share for every 14 Existing Shares held at 7.00pm (AEST) on the Record Date, at a price of A\$0.93 ("Offer Price") for each New Share ("Entitlement").

Eligibility Criteria

"Eligible Institutional Shareholders" are those persons who:

- a) were identified as an Institutional Shareholder by Opthea;
- b) have a registered address in Australia, New Zealand, or certain other jurisdictions disclosed in the investor presentation;
- c) are eligible under all applicable securities laws to receive an offer under the Institutional Entitlement Offer; and
- d) have successfully received an offer under the Institutional Entitlement Offer.

"Eligible Retail Shareholders" are those persons who:

- a) are registered as a holder of Shares as at 7.00pm (AEST) on the Record Date;
- b) have a registered address in Australia or New Zealand;
- c) are not in the United States or acting for the account or benefit of a person in the United States;

- d) are not an Eligible Institutional Shareholder or Ineligible Institutional Shareholder (as defined below) under the Institutional Entitlement Offer; and
- e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

"Ineligible Institutional Shareholders" are those persons who were identified as an Institutional Shareholder by Opthea and are not Eligible Institutional Shareholders.

"Ineligible Retail Shareholders" are those persons who were not identified as an Institutional Shareholder by Opthea and are not Eligible Retail Shareholders.

Why am I not eligible to participate in the Entitlement Offer?

Unfortunately, according to our records you do not satisfy the criteria for an Eligible Institutional Shareholder or Eligible Retail Shareholder and therefore Opthea is unable to extend to you the opportunity to participate in the Entitlement Offer.

The restrictions upon eligibility are due to a number of factors, including the legal limitations in some countries, the relatively small number of shareholders there, the small number and value of Existing Shares they hold and the potential cost of complying with regulatory requirements in those countries. Opthea has determined that, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Corporations Act 2001 (Cth), and having regard to the relatively small number of shareholders, the small number and value of Existing Shares they hold and the potential cost of complying with regulatory requirements, it would be unreasonable to make the Entitlement Offer to shareholders resident in any country outside of Australia and New Zealand (in connection with the Retail Entitlement Offer) or the other jurisdictions referred to in the investor presentation (in connection with the Institutional Entitlement Offer).

As the Retail Entitlement Offer is non-renounceable, entitlements in respect of the New Shares you would have been offered if you were an Eligible Institutional Shareholder or Eligible Retail Shareholder will lapse and you will not receive any payment or value for those entitlements.

On behalf of the Board, we thank you for your continued support of Opthea.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'MT', followed by a horizontal line.

Mike Tonroe

Chief Financial Officer and Company Secretary

Further information

If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser or the Opthea Offer Information Line on 1300 070 933 (within Australia) or +61 3 9415 4301 (outside Australia) at any time between 9:00am to 5:00pm (AEST) on Monday to Friday (excluding public holidays), up to the closing date of the offer on 24 April 2017.

Disclaimer

This letter is to inform you about the Entitlement Offer. It is neither an offer to issue shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter.

No action has been or will be taken to register, qualify or otherwise permit a public offering of the Entitlements and the New Shares under the Retail Entitlement Offer in any jurisdiction outside Australia and New Zealand. The Offer Document may not be distributed in the United States. This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person acting for the account or benefit of persons in the United States. The Entitlements and the New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (the U.S. Securities Act¹) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by persons in the United States and the New Shares may not be offered or sold in the United States or to any person acting for the account or benefit of a person in the United States, unless such Entitlements or New Shares have been registered under the U.S. Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.