8 October 2012

Dear Shareholder

2012 SHARE PURCHASE PLAN

Tidewater Investments Limited (Tidewater) invites you to participate in a non-renounceable Share Purchase Plan, whereby existing Shareholders as at 5.00pm Sydney time on 5 October 2012 can subscribe for up to $15,000 of New Shares at a subscription price of 8.0 cents per Share, in any one of the following parcel options:

a) 25,000 Shares for $2,000
b) 62,500 Shares for $5,000
c) 125,000 Shares for $10,000
d) 187,500 Shares for $15,000

The issue price of the New Shares represents a discount of 18.2% to the volume weighted average price of Tidewater shares during the last 5 days on which sales of Shares were recorded to, and including, 5 October 2012, being the day before the Share Purchase Plan was announced. This offer provides you with an opportunity to increase your investment in Tidewater at an attractive price with no brokerage fees.

Participation in the Share Purchase Plan is optional and is open to shareholders who, at Friday 5 October 2012, are registered as holders of fully paid ordinary Tidewater shares and whose address on the share register is in Australia or New Zealand (**Eligible Shareholders**).

A maximum of $601,333 worth of New Shares will be issued. The company may scale back applications under the SPP if the total value of the New Shares applied for exceeds $601,333. If there is a scale back, New Shares will be allotted at the sole discretion of the Board of Directors. The Share Purchase Plan will not be underwritten.

The offer under the Share Purchase Plan will be conducted without a prospectus in accordance with ASIC Class Order 09/425.

Proceeds from the Share Purchase Plan will enable the Company to diversify its portfolio to more conventional, larger capitalisation and liquid equity investments as well as taking positions in overseas indices and commodities. Given the small size of the Company, we intend this be initially achieved using contracts for difference, including over individual overseas securities. As a part of this strategy, Tidewater will also use short selling and hedging techniques within strictly monitored and board approved limits.

Tidewater Investments Limited
ABN 52 001 746 710

phone: (02) 9380 9001
fax: (02) 9380 9001
admin@tidewater.com.au

Suite 7.06, 2-14 Kings Cross Road, POTTS POINT NSW 2011
GPO Box 4870 SYDNEY NSW 2001

tidewater
INVESTMENTS LIMITED

SPP Offer Key Dates

Event	*Date*
Record Date	(7.00pm Sydney time) Friday 5 October 2012
SPP Offer opens	Monday 15 October 2012
SPP Offer closes	(5.00pm Sydney time) Friday 9 November 2012
Date of issue of New Shares	No later than Friday 23 November 2012
Expected date of commencement of trading of New Shares	The day after the issue of the New Shares and no later than Monday 26 November 2012
Despatch of Holding Statements	No later than Thursday 29 November 2012

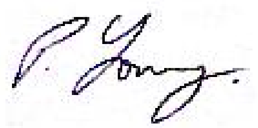
Tidewater Investments Limited directors who are Eligible Shareholders intend to participate under the SPP Offer.

The SPP Offer does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder. You should consider seeking independent financial and taxation advice before making a decision as to whether or not to participate in the SPP Offer.

I encourage you to read the enclosed terms and conditions of the Share Purchase Plan Offer and the Offer and Acceptance Form.

Should you require any further assistance, please contact the company's Managing Director, Andrew Brown, by phone on (02) 9380 9001, or by email at andrew.brown@tidewater.com.au.

Yours sincerely



Paul Young
Chairman

TERMS AND CONDITIONS OF SHARE PURCHASE PLAN (the SPP)

The offer of new shares under the SPP is made in accordance with ASIC Class Order 09/425. That instrument grants relief from the requirement to prepare a prospectus for the offer of new shares under the SPP.

Under the SPP, Eligible Shareholders have the opportunity to participate in the SPP offer by subscribing for up to A$15,000 (187,500 shares) of new fully paid ordinary shares in Tidewater (**New Shares**) without incurring brokerage and subject to the following Terms and Conditions.

Please read these Terms and Conditions relating to the SPP Offer carefully, as you will be bound by them by participating in the SPP.

All New Shares issued under the SPP Offer will rank equally with existing fully paid ordinary Tidewater shares (**Tidewater Shares**) from the date of issue, and carry the same voting rights, dividend rights and other entitlements as existing Tidewater Shares.

SPP Offer Key Dates

Event	Date
Record Date (7:00pm Sydney time)	Friday 5 October 2012
SPP Offer opens	Monday 15 October 2012
SPP Offer closes (5.00pm Sydney time)	Friday 9 November 2012
Date of issue of New Shares	No later than Friday 23 November 2012
Expected date of commencement of trading of New Shares	The day after the issue of the New Shares and no later than Monday 26 November 2012
Despatch of Holding Statements	No later than Thursday 29 November 2012

Tidewater reserves the right to vary the timetable for the SPP Offer, including the closing date of the SPP Offer.

Tidewater Investments Limited
ABN 52 001 746 710

phone: (02) 9380 9001
fax: (02) 9380 9001
admin@tidewater.com.au

Suite 7.06, 2-14 Kings Cross Road, POTTS POINT NSW 2011
GPO Box 4870 SYDNEY NSW 2001

Eligibility

Participation in the SPP is entirely at the option of registered Tidewater shareholders.

You are eligible to participate (**Eligible Shareholder**) if:

- you were recorded in Tidewater's share register as a holder of Tidewater Shares at 7:00pm (Sydney Time) on **Friday 5 October 2012**; and

- you have a registered address in Australia or New Zealand;

subject to the Terms and Conditions of the SPP, unless you are, or are acting for the account or benefit of, a US Person (as defined in Regulation S under the US Securities Act).

The Board of Directors of Tidewater has determined that regulatory requirements make participation by shareholders who have registered addresses in countries outside Australia or New Zealand either unlawful or impracticable. Shares to be allotted under the SPP have not been and will not be registered under the US Securities Act and may not be offered, sold or delivered, directly or indirectly, in or to persons in, the United States.

Limit on Investment

No Eligible Shareholder may be issued with shares under the SPP with an application price totalling more than A$15,000 (187,500 shares).

By accepting an offer under the SPP, each Eligible Shareholder certifies that the aggregate of the application price for the shares the subject of the application and any other shares applied for by the Eligible Shareholder under the SPP in the 12 months prior to the date of the application does not exceed A$15,000. The date of application for shares pursuant to an offer of shares under the SPP is deemed to be the closing date of that offer.

If a single holder receives more than one offer and acceptance form due to owning multiple single holdings, the shareholder can only apply for a maximum of $15,000 of shares in total offered under the SPP, notwithstanding the number of acceptance forms received.

If 2 or more persons are registered on the Tidewater register as jointly holding shares in Tidewater, they are taken to be a single registered holder of Tidewater shares and each holder may only apply for a maximum of $15,000 of shares in total offered under the SPP, notwithstanding the number of acceptance forms received.

The SPP Offer also enables Eligible Shareholders who hold Tidewater Shares as a custodian, trustee or nominee (Custodian) to participate on behalf of each beneficiary on whose behalf the Custodian is holding Tidewater Shares. Tidewater will only issue New Shares to a Custodian in respect of a participating beneficiary if the Custodian certifies that it held Tidewater Shares on behalf of that beneficiary as at 7.00pm (Sydney time) on **Friday 5 October 2012** and is deemed to be a Custodian under ASIC Class Order [CO 09-425] because:

a) the Eligible Shareholder holds an Australian financial services licence that:

   (i) covers the provision of a custodian or depositary service; or
   (ii) includes a condition requiring the holder to comply with the requirements of ASIC Class Order [CO 02/294]; or

b) the Eligible Shareholder is exempt under:
   (i) paragraph 7.6.01(1)(k) of the Corporations Regulations 2001; or
   (ii) ASIC Class Order [CO 05/1270] to the extent that it relates to ASIC Class Order [CO 03/184],

from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service.

If you hold Tidewater Shares as a custodian, trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

If you choose not to participate in the SPP Offer, your right to participate lapses at the closing date of the SPP Offer, being 5:00pm (Sydney time) on **Friday 9 November 2012** (or a date otherwise notified by Tidewater).

Application Procedure for New Shares

The SPP Offer opens on **Monday 15 October 2012**. Under the SPP Offer, you have the option to acquire either A$2,000 (25,000 shares), A$5,000 (62,500 shares), A$10,000 (125,000 shares) or A$15,000 (187,500 shares) worth of New Shares (subject to scale back described further below). To apply for New Shares under the SPP Offer, you must complete the enclosed Application Form and forward it with a cheque, bank draft or money order made payable to "Tidewater Investments Limited" drawn on an Australian bank and in Australian dollars for the correct amount in the envelope provided. Alternatively, you can make your payment by BPay as set out in the Application Form. You will need to ensure that the acceptance slip and payment are received prior to the close of the offer at 5:00pm (Sydney time) on **Friday 23 November 2012**. Do not forward cash. Receipts for payment will not be issued.

If the exact amount payable is not tendered, Tidewater reserves the right to return the money tendered and if applicable the acceptance slip. Small cash balances will not be used to round up to the next whole share and, due to the cost of administration, will not be refunded.

If the amount of the cheque, bank draft or money order tendered with your Application Form or your BPAY payment is:

- less than A$2,000 – Tidewater will not allot any New Shares to you and will refund your application money to you;

- greater than A$15,000 – subject to scale back, Tidewater will allot the maximum number of New Shares to you (A$15,000 worth) and will refund the excess application money to you; or

- for amounts between A$2,000 and A$15,000 that are not A$5,000 or A$10,000 – subject to scale back, Tidewater will allot to you the number of New Shares that would have been allotted had you applied for A$2,000, A$5,000 or A$10,000 determined by the multiple that is nearest to but less than the amount of your cheque, bank draft or money order, and will refund the excess application money to you.

Non-Renounceable

Offers of shares under the SPP are not renounceable or transferable (that is, Eligible Shareholders may not transfer the right to buy shares to anyone else).

Issue Price

Shares will be offered at **A$0.08** per New Share, representing a discount of **18.2%** of the volume weighted average market price of Tidewater Shares sold on the Australian Securities Exchange during the five trading days before the date that the SPP Offer was announced.

You should be aware that the market price of Tidewater shares may rise or fall between the date of the offer under the SPP and the date when shares are issued under the SPP. This means that the price paid per New Share may be greater than or less than the price of Tidewater Shares at the time the New Shares are issued under the SPP.

Before deciding whether to accept the SPP Offer, shareholders should refer to the current market price of Tidewater's shares which can be obtained from the financial pages of the daily newspaper, your stockbroker, or the Australian Securities Exchange.

Allotment

Tidewater expects to allot New Shares under the SPP no later than **Friday 23 November 2012**. New Shares will rank equally with existing Tidewater Shares and therefore will carry the same voting rights, dividend rights and other entitlements. Shareholding statements will be despatched in respect of shares allotted under the SPP no later than **Thursday 29 November 2012**.

Tidewater will apply for New Shares allotted under the SPP to be listed on the Australian Securities Exchange.

Participation Costs

No brokerage or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and allotment of, shares purchased through the SPP. (If shares purchased under the SPP are subsequently sold, then normal brokerage and other transaction costs will apply.)

Scale Back

If all applications for New Shares under the SPP exceed $601,333 worth of shares (ie **7,516,662** shares), Tidewater will allocate less than the number of New Shares applied for ("scale back"). No more than $601,333 worth of New Shares will be issued under the SPP. In the event of a scale back, New Shares will be allotted at the sole discretion of the Board of Directors.

If there is a scale back, you may therefore not receive the parcel of new shares that you applied for. If this occurs, your application money will be refunded (without interest) by cheque to your registered address as soon as practicable following allotment. In the event of a scale back, the number of New Shares issued to you will be rounded down to the nearest whole number.

Refund of application monies

Any application monies refunded by Tidewater will be paid by cheque in Australian currency.

Change of Offer

Tidewater reserves the right to amend, modify, suspend or terminate the SPP and Tidewater will advise the Australian Securities Exchange of any amendment, modification, suspension or termination. The omission to give notice of modification, suspension or termination of the SPP or the non-receipt of any such notice shall not invalidate the modification, suspension or termination.

Without limiting the powers of modification, suspension or termination, Tidewater may allot to any person fewer shares than that person applied for under the SPP, or may allot no shares to that person, if the allotment of the shares concerned would contravene any law or the Listing Rules of the Australian Securities Exchange.

Dispute Resolution

Tidewater may settle in any manner it thinks fit any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any person, application or shares, and the decision of Tidewater shall be conclusive and binding on all persons to whom the decision relates.

Waiver

Tidewater reserves the right to waive strict compliance with any provision of these conditions. The powers of Tidewater under these conditions may be exercised by the Board of Directors of Tidewater or any delegate of that Board.

Acknowledgements

By making payment or returning an Application Form or Custodian application form, you certify, acknowledge, warrant and represent as true, correct and not misleading to Tidewater that:

(a) you have read and accepted the Terms and Conditions in full;

(b) you declare that all details and statements in your application are true and complete and not misleading;

(c) your application, on the Terms and Conditions of the SPP set out in this booklet (including the Application Form and Custodian application form), will be irrevocable and unconditional (that is, it cannot be withdrawn);

(d) as at 7:00pm (Sydney time) on **Friday 5 October 2012**, you were recorded on Tidewater's share register as being a registered holder of Tidewater shares and having an address in Australia or New Zealand.

(e) If you have a registered address in New Zealand, you continued to hold Tidewater Shares as at the opening of the SPP Offer on **Monday 15 October 2012**;

(f)you and each person for whose account or benefit you are acting is not in the United States and is not a US Person, or acting for the account or benefit of a US Person;

(g) you acknowledge that the New Shares have not, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and the New Shares may not be offered, sold or otherwise transferred unless an exemption from the registration requirements of the U.S. Securities Act is available;

(h) you represent that you have not, and you agree that you will not, send any materials relating to the SPP to any person in the United States or to any person who is, or is acting for the account or benefit of, a US Person;

(i) if you are applying on your own behalf (and not as a Custodian):

   (i) you are not applying for New Shares with an application price of more than A$15,000 under the SPP (including by instruction a Custodian to acquire New Shares on your behalf under the SPP);

   (ii) the total of the aggregate application value for the following does not exceed A$15,000:

      (A) the New Shares the subject of the application; and

      (B) any other Tidewater Shares issued to you under the SPP or any similar arrangement in the 12 months before the application; and

      (C) any other New Shares which you have instructed a Custodian to acquire on your behalf under the SPP; and

(D) any other Tidewater Shares issued to a Custodian in the 12 months before the application as a result of an instruction give by you to the Custodian to apply for Tidewater Shares on your behalf under an arrangement similar to the SPP;

(j) if you are a Custodian and are applying on behalf of a beneficiary on whose behalf you hold Tidewater Shares:

(i) you are a Custodian (as that term is defined in ASIC Class Order (CO 09/425));

(ii) you held Tidewater Shares on behalf of one or more beneficiaries as at 7:00pm (Sydney time) on **Friday 5 October 2012**, who have subsequently instructed you to apply for New Shares on their behalf under the SPP as evidenced by providing details of the number of beneficiaries instructing you to participate, the name and address of each beneficiary and in respect of each such beneficiary:

(A) the number of Tidewater Shares that you hold on behalf of that beneficiary; and

(B) the dollar amount of New Shares that the beneficiary, or its agent, has instructed you to accept on behalf of the beneficiary.

(iii) you are not applying for New Shares on behalf of any participating beneficiary with an application value of more than A$15,000 under the SPP;

(iv) there are no participating beneficiaries in respect of which the total of the aggregate application value for the following exceeds A$15,000:

(A) the New Shares applied for by you on their behalf under the SPP; and

(B) any other Tidewater Shares issued to you in the 12 months before the application as a result of an instruction given by them to you to apply for Tidewater Shares on their behalf under an arrangement similar to the SPP; and

(C) after taking into account any SPP Offers in the last 12 months applied for by the participating beneficiaries in their sole names or joint names or where the participating beneficiaries have more than one holding under a separate account.

(k) you may be offered New Shares pursuant to the SPP in accordance with all applicable laws, and any acceptance by you on your own behalf or in respect of any person for which you are acting complies with all applicable laws;

(l) you accept the risk associated with any refund that may be dispatched to you by direct credit or cheque to your address shown on Tidewater's register;

(m) you are responsible for any dishonour fees or other costs Tidewater may incur in presenting a cheque for payment which is dishonoured;

(n) you agree to be bound by the provisions of the Constitution of Tidewater Investments Limited (as amended and as it may be amended from time to time in the future);

(o) you authorise Tidewater and its affiliates, officers and representatives to do anything on your behalf necessary for New Shares to be issued to you in accordance with these Terms and Conditions;

(p) you authorise Tidewater (and its officers and agents) to correct minor or easily rectified errors in, or omissions from, your application and to complete the application by the insertion of any missing minor detail; and

(q) Tidewater may at any time irrevocably determine that your application is valid in accordance with these Terms and Conditions, even if the application is incomplete, contains errors or is otherwise defective.

Governing law

These Terms and Conditions are governed by the laws in force in New South Wales.

tidewater
INVESTMENTS LIMITED

ABN 52 001 746 710

Share Purchase Plan – Application Form

Record Date: 5 October 2012

Closing Date: 9 November 2012

Issue Price: 8.0 cents per share

A SPP application – make your election below

Indicate your election of a specified value below by marking one box only.

☐	**Offer A 25,000 Shares for A$2,000.00**	☐	**Offer B 62,500 Shares for A$5,000.00**	☐	**Offer C 125,000 shares for A$10,000.00**	☐	**Offer D 187,500 shares for A$15,000.00**

B Payment details

Payment may only be made by BPAY® or cheque. Cash will not be accepted via the mail or at the Tidewater Investments Limited Registry. Payments cannot be made at any bank.

Payment option 1 – BPAY

B PAY

Biller Code: ??????

Ref: XXXXXXXXXXX

Telephone & Internet Banking - BPAY®
Contact your bank, credit union or building society to make this payment from your cheque or savings account.
More info: www.bpay.com.au
® Registered to BPAY Ltd ABN 69 079 137 518

- To pay via BPAY please contact your participating financial institution.
- If you are paying by BPAY, you do not need to return the Application Form.

Payment option 2 – Cheque

Record cheque details below

Drawer	Cheque Number	BSB Number	Account No.	Amount A$

PAYMENT INSTRUCTIONS:

- Only cheques in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque must be made payable to "**Tidewater Investments Limited" and crossed "Not Negotiable".**
- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.

C Contact details

Please provide a telephone number and contact name in case we need to contact you regarding your application.

Home telephone number	Work telephone number	Contact name

D Declarations and Acknowledgments

By lodging this form with your cheque you acknowledge and confirm that you have read, understood and agreed to the terms and conditions of the Tidewater Investments Limited Share Purchase Plan (SPP) and certify that the amount subscribed for by you or a Custodian on your behalf under this offer, together with other amounts subscribed for by you or a Custodian on your behalf in any similar plan offer by Tidewater Investments Limited in the last 12 months does not exceed A$15,000. Tidewater Investments Limited may settle in any manner it deems appropriate, any difficulties, disputes or anomalies which may arise in connection with the operation of the SPP, whether generally or in relation to any applicant or application for SPP Shares. The decision of Tidewater Investments Limited will be conclusive and binding on all persons to whom the determination relates. Tidewater Investments Limited reserves the right to waive strict compliance with any provision of the SPP terms and conditions, withdraw the offer of SPP Shares under the SPP or amend or vary the terms and conditions of the SPP (including reducing the amount of SPP Shares that may be applied for under the SPP), at any time prior to issue of the SPP Shares. Any excess application moneys will be refunded. No interest will be paid on any refunded money.

NO SIGNATURE IS REQUIRED ON THIS FORM **THIS OFFER IS NON-RENOUNCEABLE**

Application Forms and cheques must be received no later than 5.00 pm (Sydney Time) on 9 November 2012 at:

MAILING ADDRESS
Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

You should allow sufficient time for this to occur. The postal acceptance rule does not apply to application under the SPP.