

17 May 2013



[Mr Sample]
[123 Sample Street]
[Sample Qld 1234]

Dear Fellow Shareholder

Unsolicited Off-Market Takeover Offer from Cauldron Energy Limited

As you may be aware, on 18 March 2013, Cauldron Energy Ltd ("Cauldron") (ASX:CXU) announced its intention to acquire all of the shares of Energia Minerals Limited ("**Energia**" or the "**Company**") (ASX:EMX). You will have recently received, or will shortly receive the Cauldron Bidder's Statement, I reiterate the Company's previous advice to shareholders to **TAKE NO ACTION** in relation to the unsolicited and highly conditional takeover offer.

Cauldron is offering Energia shareholders 1 Cauldron share for every 8 Energia shares held ("**Offer**"). The Offer is highly conditional and includes a 90% minimum acceptance condition.

As at the 16 May 2013, the **implied value of the Offer is \$0.014** per share (using the closing price of Cauldron shares on ASX on that same date of \$0.11). This implies a **DISCOUNT OF 36.4%** when compared to Energia's closing price on the ASX on the same date of \$0.022.

Energia is reviewing the Bidder's Statement and will shortly be providing you with a Target Statement.

The Target Statement will provide you with a Directors' recommendation, incorporating the assessment of an Independent Expert, and their views on the merits of the Offer.

Energia's Directors reiterate their advice that you should **TAKE NO ACTION** before receipt of the **ENERGIA TARGET STATEMENT**. The target statement will assist you in making an informed decision on the Offer.

Early acceptance may mean that you will be unable to sell your Energia shares on market and you may also miss out on the benefits of any superior alternative proposal that may be received.

I look forward to providing you further information in the near future.

Yours sincerely

A handwritten signature in blue ink that reads "Tony Iannello".

Tony Iannello
Chairman