C @ Ltd
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ABN: 99 110 439 686

23 March 2007

Dear Shareholder

NON-RENOUNCEABLE RIGHTS ISSUE OF SHARES

C@ Limited (C@) is undertaking a 1 for 1 pro rata non-renounceable rights issue of shares to shareholders (**Rights Issue**) of a minimum of 37,978,000 fully paid ordinary shares (**New Shares**) to raise a minimum of approximately $1.5 million.

The New Shares will be offered under the Rights Issue at an issue price of $0.04 per New Share, which represents a discount of approximately 11% to the closing price of ordinary shares on 22 March 2007, the last full trading day prior to the announcement on ASX of the material terms of the Rights Issue (including the issue price).

The funds raised will be used for the retirement of debt and for general working capital purposes.

The Rights Issue is being made to all registered shareholders as at close of business on 4 April 2007 (Record Date) whose registered address on C@'s share register is in Australia or New Zealand. Shareholders on the Record Date whose registered address on C@'s share register is outside Australia or New Zealand (Non-Qualifying Foreign Holders) will not be eligible to participate in the Rights Issue. The decision has been made by C@ taking into account the small number of Non-Qualifying Foreign Holders in each jurisdiction, the small number and value of New Shares which would otherwise have been offered to those Non-Qualifying Foreign Holders, and the costs of complying with the legal and regulatory requirements in those jurisdictions.

It has been determined that you are an Non-Qualifying Foreign Holder because your registered address on C@'s share register is outside Australia and New Zealand and accordingly we regret that you will not be eligible to participate in the Rights Issue.

C@ lodged a prospectus containing the full details of the Rights Issue (Prospectus) with ASIC and ASX on 23 March 2007, including key dates as set out in section 2 of the Prospectus and further details with respect to Non-Qualifying Foreign Holders as set out in section 4.9 of the Prospectus. The Prospectus is available on the ASX website (company announcements section, ASX code: CEO) at www.asx.com.au. The Prospectus (not including an Entitlement and Acceptance Form) will be mailed to Non-Qualifying Foreign Holders on 12 April 2007 for information purposes only. **No action is required on the part of Non-Qualifying Foreign Holders.**

If you have any queries in relation to the Rights Issue, please contact your professional adviser or the Company's Share Registry, Security Transfer Registrars Pty Ltd on (08) 9315 2333, between 8:30am and 5:30pm (Perth time), Monday to Friday.

Yours faithfully

Andrew Harrison
Director
C @ Limited