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5th August 2008

Dear Shareholder,

CogState Limited – Non-Renounceable Rights Issue

On 29th July 2008, CogState Limited (the "Company") announced a fully underwritten non-renounceable rights issue of approximately 5,967,553 new fully paid ordinary shares ("Rights Issue") under which its shareholders with registered addresses in Australia, New Zealand and the United States of America ("Eligible Shareholders") will be offered one fully paid ordinary share in the Company ("New Share") for every ten fully paid ordinary shares held on the record date, at an issue price of $0.1027. The New Shares will rank equally with all other fully paid ordinary shares of the Company. The number of ordinary shares on issue post the Rights Issue will be 65,643,082.

The Rights Issue will be fully underwritten by:

- United BioSource Corporation
- Myer & Myer Pty Ltd
- Mr. D.A. & Mrs. D.G. Simpson
- Wooldridge Colman Superannuation Fund
- Mr. Richard Morgan
- Angeheni Investments Pty Ltd

The underwriters will not be paid any underwriting fee for underwriting the Rights Issue.

The Rights Issue will raise approximately $0.6 million before costs. The funds raised will be used for general working capital allowing the Company to continue expansion in the clinical trial market while also allowing for investment of resources in the potentially lucrative home testing and work place markets.

The Company has decided that it is unreasonable to make the offer to shareholders with registered addresses outside of Australia, New Zealand and the United States of America ("Ineligible Shareholders") having regard to:

- the small number of shareholders with registered addresses outside of these countries;
- the number and value of shares those shareholders would be offered; and
- the cost of complying with the legal requirements and the requirements of the regulatory authorities in each of the countries concerned.

We regret that the Rights Issue is therefore not extended to Ineligible Shareholders and Ineligible Shareholders will not receive a copy of the offer document ("Offer Document") and Entitlement and Acceptance Form.

No action has been taken to register or qualify the Offer Document and Entitlement and Acceptance Form, the Rights Issue, or the New Shares or to otherwise permit a public offering of the New Shares in any jurisdiction outside of Australia, New Zealand or the United States of America.

The Company expects to despatch the Offer Document and Entitlement and Acceptance form to Eligible Shareholders on, or around Monday, 18th August 2008. A copy of the Offer Document will be released to the ASX on the same date. A copy of the Offer Document will be available on the ASX website at www.asx.com.au and on CogState's website www.cogstate.com.

The following are key proposed dates relating to the Rights Issue that Eligible Shareholders need to be aware of:

Wednesday 6th August	Existing shares traded on ASX ex-entitlement to the Rights Issue
Tuesday 12th August	Record date to determine entitlement to New Shares under Rights Issue
Monday 18th August	CogState releases the offer document to the ASX and then despatches the offer document to Eligible Shareholders (including an Entitlement and Acceptance form)
Tuesday 2nd September	Closing date and final time for receipt of Entitlement and Acceptance forms and payment in full for New Shares
Tuesday 9th September	Allotment and issue of New Shares
Wednesday 10th September	Despatch of holding statements in respect of New Shares
Thursday 11th September	Trading of New Shares expected to commence on the ASX

Please note that where the determination of an Eligible Shareholder's entitlement results in a fraction of a New Share, such fraction shall be rounded up to the nearest whole New Share. Calculation of entitlements for holdings on different registers (or sub-registers) will be undertaken separately.

Existing optionholders may participate in the Rights Issue upon exercise of their vested options. The Company sent a notice to optionholders on 4 August 2008 to notify optionholders of their right to participate in the Rights Issue upon exercise of their vested options.

Please consult your stockbroker, solicitor, accountant or other financial adviser if you are in any doubt as to the value of the Rights Issue.

If you have any other questions regarding the Rights Issue please contact CogState Limited +61 3 9664 1300.

Yours sincerely,

Brad O'Connor
Chief Executive Officer