Altera Resources Ltd

A.B.N. 55 082 541 437

18th December 2009

Dear Shareholder,

NOTICE TO SHAREHOLDERS OF NON-RENOUNCEABLE ENTITLEMENT ISSUE

We are writing to you in relation to your shareholding in Altera Resources Limited (**Company**).

On 20 November 2009, the Company announced to ASX a pro-rata non-renounceable entitlement issue of approximately 16,362,690 fully paid ordinary shares (and a free 1 for 2 Option) in the Company **(Shares)** at a price of 12 cents per share on the basis of four (4) new Shares for every five (5) Share held on the record date to raise approximately $1,963,522 million **(Entitlements Issue)** before expenses.

The Company has lodged an offer document in relation to the Entitlement Issue with the ASX and this document will be dispatched to shareholders of the Company on 21 December 2009 (Offer Document). The Offer Document outlines the terms of the Entitlement Issue in detail and is available for viewing on the announcements page of the ASX website (www.asx.com.au) and the Company's website (www.alteraresources.com.au).

The Entitlement Issue will proceed in accordance with the following timetable:

Announcement of Entitlement Issue, lodgement of Offer Document and Appendix 3B with ASX	21 December 2009
Dispatch of Entitlement Issue notice to shareholders	22 December 2009
Ex date (date from which Shares commence trading without the entitlement to participate in the Entitlement Issue)	23 December 2009
Record Date for determining entitlements to participate in the Entitlement Issue	31 December 2009
Dispatch of Offer Document and Entitlement and Acceptance Form	6 January 2010
Opening Date of the offer	18 December 2009
Closing Date of the offer*	20 January 2010
Allotment of new Shares, dispatch of holding statements**	29 January 2010
Trading of new Shares expected to commence on ASX**	1 February 2010

* Subject to the ASX Listing Rules, the directors reserve the right to extend the closing date for the Entitlement Issue at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue of the new Shares.

** These dates are indicative only.

The capital structure of the Company on completion of the Entitlement Issue shall be as follows:

Shares	
Shares on issue as at the date of this letter	20,453,363
Shares offered pursuant to the Entitlement Issue	16,362,690
Total Shares on issue at completion of the Entitlement Issue	**36,816,053**
Options	
Exercisable @ 10c unquoted options expire 8 November 2010	2,100,000
Exercisable @ 20c unquoted options expire 31 December 2011	4,000,000
Exercisable @ 20c unquoted options expire est. 1 February 2012	8,181,395
Total options on issue at completion of the Entitlement Issue[1]	**14,281,395**

[1] Assumes no options are exercised prior to completion of the Entitlement Issue.

The Entitlement Issue will raise approximately $1,963,522 million before costs (assuming the Entitlement Issue is fully subscribed). It is intended that these funds will be used as working capital and to fund ongoing efforts to acquire supplementary assets to the existing coal and base metal interests.

Should you have any queries in relation to the Entitlement Issue, please do not hesitate to contact the Company on (08) 9321 2642.

Yours sincerely

Bradley Abbott
Non-Executive Director
ALTERA RESOURCES LIMITED