

PETRATHERM LTD



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10 October 2013

Dear Optionholder,

NON-RENOUNCEABLE PRO-RATA ENTITLEMENT OFFER

Entitlement Offer

On 9 October 2013, Petratherm Limited (**Petratherm**) announced a partially underwritten, non-renounceable pro-rata entitlement offer of 177,067,166 new fully paid ordinary shares (**New Shares**) on the basis of 1 New Share for every 1 share held by eligible shareholders (**Existing Shares**) at an offer price of \$0.01 per New Share, to raise up to approximately \$1,770,672 (before costs) (**Entitlement Offer**).

In summary, only holders of shares in Petratherm with a registered address in Australia or New Zealand as at 7:00 pm Adelaide time on 18 October 2013 (**Record Date**) will be eligible to participate in the Entitlement Offer (**Eligible Shareholders**).

Exercise of options

You will need to check that your options are currently exercisable under the terms of your granted options and exercise your options into shares, before you can participate in the Entitlement Offer.

To be eligible to participate in the Entitlement Offer, existing options must be exercised prior to the Record Date.

Before exercising your options, you are encouraged to consult your professional adviser. Relevant factors that you may wish to consider when deciding whether to exercise your options include:

- The current trading price of Petratherm shares relative to the exercise price of your options.
- The Entitlement Offer does **not** in any way change the terms of your options.
- If your address is outside of Australia or New Zealand any shares you acquire as a result of exercising your options will not be eligible to participate in the Entitlement Offer.

Details of the Entitlement Offer are set out in Petratherm's announcement dated 9 October 2013 and the Offer Booklet that will be lodged with the ASX on 10 October 2013. The Offer Booklet will be sent to Eligible Shareholders together with a personalised Entitlement and Acceptance form on or about 23 October 2013. A copy of the Offer Booklet will also be available for review on ASX's website (www.asx.com.au) and on the Company's website (www.petratherm.com.au) after it is lodged with ASX.

For further information, please contact your professional adviser or Petratherm's share registry, Computershare Investor Services Pty Limited on 1300 556 161 from 8:30 am to 5:00 pm Adelaide time Monday to Friday.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Derek Carter', written in a cursive style.

Derek Carter
Chairman