C Cervantes Corporation Limited

ACN 097 982 235

1 December 2008

The Manager
Company Announcement
Australian Securities Exchange
Perth

Dear Sir

Letter sent to all Cervantes Corporation Ltd CVSO Option Holder

The Company wishes to notify the ASX that an Option Notice and Option Exercise Forms (ASX: CVSO, expiring 31 December 2008 and with an exercise price of $0.015 cents) have been distributed to all holders of the above mentioned options. A copy of the Notice is attached for reference.

Yours faithfully

Collin Vost

Dip Financial Services(Financial Planning)
Dip AII AAII
Derivatives Accredited (ADA2)
Superannuation Accredited
Managing Director

Shop 11 "Southshore Piazza" 85 The Esplanade , South Perth WA 6151
(P.O.Box 1196, South Perth, WA 6951)
Telephone 61 8 6436 2300 Fax 61 8 9367 2470 Email: admin@cervantescorp.com.au

CERVANTES CORPORATION LIMITED

ABN 79 097 982 235

REGISTERED OFFICE
CERVANTES CORPORATION LIMITED
SHOP 11 "SOUTHSHORE PIAZZA"
85 THE ESPLANADE
SOUTH PERTH WA 6151

SHARE REGISTRY
Advanced Share Registry Limited
All Correspondence to: PO Box 1156, Nedlands WA 6909

Tel (08) 9389 8033 Fax (08) 9389 7871
EMAIL: l.hill@advancedshare.com.au

1 December 2008

Dear Option Holder

YOUR OPTIONS TO ACQUIRE CERVANTES CORPORATION LIMITED SHARES AT 1.5 CENTS PER SHARE EXPIRE ON 31 DECEMBER 2008

We are writing to you as a registered holder of 31 December 2008 options in CERVANTES CORPORATION LIMITED to remind you that the options will expire at 5:00pm (WST) on 31 December 2008.

Your option holding may be exercised in whole or in part by payment of 1.5 cents for each option by no later than 31 December 2008. If payment is not received by 5:00pm (WST) on 31 December 2008 the options will lapse and all rights under the options will cease at that time.

Some of the courses of action available to you as a holder of these soon to expire options are:

a) Exercise the options on or before 31 December 2008.

b) Sell your options. Quotation of the options will cease at the close of trading on 22 December 2008.

c) Do nothing (ie, allow your options to expire). If you do not exercise or sell your options they will expire on 31 December 2008 and your right to subscribe for ordinary shares in Cervantes Corporation Limited at 1.5 cents per share will lapse.

There is no obligation on option holders to exercise their options. However, pursuant to the Listing Rules of the Australian Securities Exchange (**ASX**), the Company is required to advise option holders of the information contained in this notice.

The closing market sale price of ordinary shares in Cervantes Corporation Limited on ASX on 28 November 2008, being the last trading day in Perth prior to the date of this notice, was 2.2 cents.

During the three (3) months preceding the date of this notice:

- the highest market sale price of ordinary shares on ASX was 5.4 cents on 1 September 2008; and
- the lowest market sale price of ordinary shares on ASX was 2 cents on 19 November 2008.

If you wish to exercise your options then you must complete your "Notice of Exercise of Options" form included with this notice and forward it together with payment of 1.5 cents per option exercised to be received no later than 5:00pm (WST) on **31 December 2008** to the Company's share registry, being:

Advance Share Register Ltd
PO Box 1156
NEDLANDS WA 6909

OR

Unit 2 150 Stirling Highway
NEDLANDS WA 6009

Cheques should be made payable to "**CERVANTES CORPORATION LIMITED**" in Australian dollars only and should be crossed "Not negotiable". If you have any further questions please do not hesitate to contact our Registry on telephone (08) 9389 8033, facsimile (08) 9389 7871, or e-mail l.hill@advanceshare.com.au

If you wish to clarify any taxation consequences relating to the exercise of options, please consult your accountant or professional advisor.

Yours faithfully

COLLIN VOST
MANAGING DIRECTOR