Concept Sports Limited

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17 October 2006

[*Address*]

Dear Shareholder

NON-RENOUNCEABLE ENTITLEMENT ISSUES

Concept Sports Limited (**Company**) has announced to Australian Stock Exchange Limited (**ASX**) a non-renounceable entitlement issue on the basis of two (2) new shares for every three (3) shares held at an issue price of $0.02 per share to shareholders of the Company as at 5.00 pm EST on 25 October 2006 (**Entitlement Issue**).

The Entitlement Issue will result in the issue of approximately 48,123,854 new shares in the Company.

The Entitlement Issue is not underwritten.

A Prospectus relating to the Entitlement Issue has been lodged with the Australian Securities and Investments Commission and ASX and is available on the ASX website at www.asx.com.au for inspection. The timetable and important dates of the Entitlement Issue are set out below:

Lodgement of Prospectus with ASIC	16 October 2006
Notice sent to holders of Shares	18 October 2006
Ex Date	19 October 2006
Record Date for determining Shareholder entitlements	25 October 2006
Prospectus despatched to Shareholders	27 October 2006
Closing Date of Offer	13 November 2006
Securities quoted on a deferred settlement basis	14 November 2006
Despatch date/Shares entered into shareholders security holdings	21 November 2006

The purpose of the issue is to raise approximately $962,467 and the funds raised will be used as follows:

Proceeds of the Offer	$
Purchases of merchandise for current merchandising and licensing projects	650,000
Working capital	237,343
Expenses of the Offer[1]	75,134
Total	**962,477**

The capital structure of the company on completion of the issue will be as follows:

Shares

	Number
Shares currently on issue	72,185,780
Shares offered pursuant to the Offer	48,123,854
Total Shares on issue after completion of the Entitlement Issue	**120,309,634**

* Assumes the offer is fully subscribed.

Options
The Company currently has 9,448,000 options on issue and no options will be issued pursuant to the Entitlement Issue.
In calculating entitlements under the Entitlement Issue fractions will be rounded up to the nearest whole number.
The offer under the Prospectus is made to Shareholders with registered addresses in Australia and New Zealand. Overseas shareholders should contact the Company Secretary with any queries.
Full detail of the Entitlement Issue will be contained in the Prospectus that will be mailed to all shareholders who are registered on the record date. Shareholders eligible to participate should read the Prospectus carefully.

Yours faithfully

Gary March
Director