

17 May 2017

Dear Shareholder

NON-RENOUNCEABLE RIGHTS ISSUE – LETTER TO INELIGIBLE SHAREHOLDERS

Consolidated Operations Group Limited (**Company**) has announced a pro-rata 1 for 4 non-renounceable rights offer of new fully paid ordinary shares in the Company (**New Shares**), at \$0.12 per New Share raising up to approximately \$31.163m in new capital (**Rights Issue**).

The maximum number of New Shares to be issued under the Rights Issue is 259,694,007, which would raise up to approximately \$31.163m. At the conclusion of the Rights Issue, the total number of issued Shares in the Company will be a maximum of 1,298,470,035.

The Rights Issue is non-renounceable and is not underwritten. Blue Ocean Equities Pty Limited (**Blue Ocean**) has however been appointed as the lead manager to the Rights Issue.

The Rights Issue is being undertaken pursuant to a short form offer document (**Offer Document**) that was lodged with Australian Securities Exchange (**ASX**) and sent to eligible shareholders on 17 May 2017. The Offer Document is available on the ASX website www.asx.com.au.

The offer is only being made to shareholders of the Company (**Shareholders**) named on its register of members at 7.00pm (Sydney time) on 16 May 2017, whose registered address is in Australia or New Zealand. This letter is to inform you that you are not eligible to participate in the Rights Issue. This letter is not an offer to the issue of the New Shares in the Company, nor an invitation to apply for the New Shares. You are not required to do anything in response to this letter.

Shareholders who are eligible to participate in the Rights Issue are those persons who:


1. are registered as a Shareholder of the Company as at 7.00pm (Sydney time) on 16 May 2017; and
2. Have a registered address in Australia or New Zealand.

In accordance with the listing rule 7.7.1 of the ASX Listing Rules, the Company has considered that it would be unreasonable given the number of Shareholders with registered addresses outside of Australia and New Zealand and the size of the shareholdings held by those Shareholders to offer them the New Shares under the Rights Issue. Taking this into consideration, as well as taking into consideration the costs of complying with the legal requirements and the requirements of the regulatory authorities of those relevant jurisdictions outside of Australia and New Zealand, the Company believes it to be unreasonable to extend the Rights Issue to all Shareholders.

According to our records, you do not satisfy the eligibility criteria to participate in the Rights Issue as stated above and accordingly, the Company wishes to advise that in accordance with ASX Listing Rule 7.7.1, the Rights Issue will not be extended to you, you will not be able to subscribe for the New Shares through the Rights Issue and you will not be sent the Offer Document.

On behalf of the Board of Consolidated Operations Group Limited and management, we regret that you are not eligible to participate in the Rights Issue and thank you for your continued support.

Yours sincerely,



Bruce Hatchman

Chairman

Consolidated Operations Group Limited