



ASX Announcement

3 September 2018

Notification to Ineligible Retail Shareholders

Please find attached a sample letter that will be provided to shareholders who are ineligible to participate in the pro rata accelerated non-renounceable entitlement offer as announced on 28 August 2018.

FOR FURTHER INFORMATION

Company Secretary

Darryl Edwards
RCR Tomlinson Ltd
02 8413 3045
enquiries@rcrtom.com.au

03 September 2018

Not for release or distribution in the United States

Mr Sam Sample
123 Sample Street
Sample Estate
Sampleville VIC 3000

Dear Shareholder,

RCR TOMLINSON LIMITED (ABN 81 008 898 486) ("RCR" or the "Issuer")

1 for 1.65 pro rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in the Issuer ("New Shares") to raise A\$100 million ("Entitlement Offer")

Notification to Ineligible Retail Shareholders

Overview

On Tuesday 28 August 2018, RCR announced an underwritten Entitlement Offer to Eligible Retail Shareholders (as defined below) to subscribe for 1 New Share for every 1.65 existing fully paid ordinary shares ("Shares") held as at 7.00pm (AEST) on 30 August 2018 ("Record Date") ("Entitlements") to raise A\$100 million.

We also announced that RCR has experienced significant cost overruns at the Daydream and Hayman Solar Farm project ("Project"). The issues experienced on the Project are taken very seriously by the Board and the Executive and several actions and additional measures are being implemented. We are also taking steps to re-position the company towards a more acceptable risk profile.

This Entitlement Offer aims to strengthen the balance sheet and address the financial impacts of cost overruns at the Project. It also will support the delivery of 'alliance style' contracts, which typically have a higher degree of margin predictability, but require additional working capital and enhance RCR's ability to manage working capital requirements.

The Entitlement Offer will also facilitate an increase in RCR's finance facilities with an increase in the working capital facility of \$25 million, which can be drawn for working capital purposes, with a corresponding reduction in the bank guarantee facility of \$25 million.

Macquarie Capital (Australia) Limited ("Lead Manager") is the lead manager, underwriter and bookrunner for the Entitlement Offer, which comprises an institutional entitlement offer ("Institutional Entitlement Offer") and an offer to Eligible Retail Shareholders (defined below) to participate on the same terms ("Retail Entitlement Offer").

A prospectus in relation to the Entitlement Offer ("Prospectus") has been prepared by the Issuer in accordance with section 713 of the Corporations Act 2001 (Cth) and was lodged with the Australian Securities and Investments Commission and Australian Securities Exchange ("ASX") on Tuesday 28 August 2018 and is available on ASX's website (www.asx.com.au) (search by reference to RCR's ASX ticker which is 'RCR'). The Prospectus will be mailed to Eligible Retail Shareholders.

The Institutional Entitlement Offer has already closed and results of the Institutional Entitlement Offer have been announced to ASX. The Retail Entitlement Offer is expected to raise approximately \$30 million.

This notice is to inform you that under the terms of the Entitlement Offer, you are not entitled to participate in the Retail Entitlement Offer and as such, will not be offered any New Shares or Entitlements under the Retail Entitlement Offer. This notice is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter but there may be financial impacts for you as a result of the Entitlement Offer that you should be aware of.**

Eligibility criteria

"Eligible Retail Shareholders" are those persons who:

- are registered as a holder of Shares in RCR as at 7:00 pm (Sydney time) on the Record Date;
- have a registered address on the RCR share register that is in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares in RCR for the account or benefit of such person in the United States);
- not an Ineligible Institutional Shareholder (as defined in the Prospectus); and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

If you do not satisfy the criteria of an Eligible Retail Shareholder as set out above, you are an Ineligible Retail Shareholder and are consequently unable to participate in the Retail Entitlement Offer.

The restrictions upon eligibility to participate in the Retail Entitlement Offer arise because of the legal and regulatory requirements in countries other than Australia or New Zealand and the potential costs to the Issuer of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in those countries, the relatively small number of existing fully paid ordinary shares in the Issuer they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled. The Issuer has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make or extend offers to RCR shareholders in certain countries under the Retail Entitlement Offer.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b), RCR wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent documents relating to the Entitlement Offer and you will not receive any value for the New Shares to which you would otherwise have been entitled.

As the Entitlement Offer is non-renounceable, Entitlements in respect of the New Shares you would have been entitled to if you were an Eligible Retail Shareholder will lapse and you will not receive any payment or value for your Entitlements in respect of any New Shares that would have been offered to you if you had been eligible. New Shares equivalent to the number of New Shares you would have been entitled to if you were an Eligible Retail Shareholder will be allocated to the Lead Manager or a sub-underwriter.

You are not required to do anything in response to this letter.

For further information on the Entitlement Offer or if you believe that you are an Eligible Retail Shareholder, please contact 1300 155 608 (within Australia) or +61 3 9415 4035 (outside Australia) between 9:00am to 5:00pm (AEST) Monday to Friday. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

On behalf of the Board of RCR, we thank you for your continued support.

Yours sincerely

Roderick Brown
Chairman
RCR Tomlinson Limited

IMPORTANT INFORMATION:

This letter is issued by RCR Tomlinson Limited (ABN 81 008 898 486). This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any Shares in RCR in any jurisdiction. This letter does not constitute financial product advice and does not and will not form part of any contract for the acquisition of RCR Shares.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax adviser, stockbroker or other professional adviser.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any person in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the Entitlements or the New Shares in any jurisdiction outside Australia or New Zealand. In particular, the Entitlements and the New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Shares may not be offered or sold directly or indirectly to, persons in the United States or persons who are acting for the account or benefit of persons in the United States (to the extent such persons hold existing shares and are acting for the account or benefit of a person in the United States). The Entitlements and the New Shares to be offered and sold in the Retail Entitlement Offer will only be offered and sold to persons that are not in the United States in "offshore transactions" (as defined in Rule 902(h) of the U.S. Securities Act in reliance on Regulation S under the U.S. Securities Act).

IMPORTANT NOTICE TO NOMINEES: Because of legal restrictions, you must not send copies of this letter or any material relating to the Entitlement Offer to any of your clients (or any other person) in the United States or any other person acting for the account or benefit of persons in the United States or to any person in any other jurisdiction outside of Australia and New Zealand. Failure to comply with these restrictions may result in violations of applicable securities laws.