



13 November 2014

Dear Shareholder

NON-RENOUNCEABLE ENTITLEMENT ISSUE

On 12 November, Saferoads Holdings Limited (**ASX: SRH**) was pleased to announce a non-renounceable entitlement issue to eligible shareholders on the basis of two (2) new fully paid shares for every five (5) existing shares held, at an issue price of \$0.12 per share to raise up to \$1,248,000, together with a Shortfall Facility for existing Shareholders to take up entitlements not taken up by other Shareholders. Should all entitlements be taken up, approximately 36,400,000 Shares will be on issue.

The Entitlement Issue will be available to registered Shareholders as at 7.00pm (AEDT) on Tuesday, 18 November. Shares issued pursuant to the Entitlement Issue will rank equally with all shares on issue.

The purpose of this Entitlement Offer is to reduce bank debt. The Directors believe it is in the best interests of shareholders to achieve this reduction by means of this Entitlement Offer to provide a much more appropriate debt equity ratio, greater flexibility with our business financing options and a substantial reduction in borrowing costs.

The proposed timetable for the Entitlement Issue is set out below:

Timetable

Announcement of Entitlement Offer and ASX Appendix 3B, section 708AA(2)(f) notice with ASX and Offer Document lodged with ASX	Wednesday, 12 November 2014
Notice sent to Eligible Shareholders	Thursday, 13 November 2014
Shares quoted on an "ex-Entitlement" basis	Friday, 14 November 2014
Record date for determining entitlements of Eligible Shareholders under the Entitlement Offer	Tuesday, 18 November 2014
Entitlement Offer letter and Entitlement and Acceptance Forms dispatched to Shareholders	Thursday, 20 November 2014
Opening date	Thursday, 20 November 2014
Closing Date for acceptances under the Entitlement Offer	Tuesday, 9 December 2014
Expected commencement of trading on a deferred settlement basis of New Shares on ASX	Wednesday, 10 December 2014
ASX notified of under subscriptions	Monday, 15 December 2014
New Shares are issued, Shareholder holding statements dispatched and deferred settlement trading ends	Tuesday, 16 December 2014
Normal trading of New Shares commences	Wednesday, 17 December 2014

SAFEROADS HOLDINGS LTD. ABN 81 116 668 538

PO Box 340, Drouin, Vic 3818

Phone: 1800 060 672 Fax: 1800 060 673

Website: www.saferoads.com.au

The Timetable is indicative only and may be subject to change.

In accordance with the ASX Listing Rules, Saferoads considered the number of Shareholders with registered addresses outside of Australia and New Zealand together with the size of their shareholding. Taking this into consideration, as well as the costs associated with complying with the regulatory authorities outside of Australia and New Zealand, the Company believes it is unreasonable to extend the Entitlement Offer to Shareholders outside of Australia and New Zealand.

The Entitlement Issue is being made without a disclosure document in accordance with an exception granted in section 708AA of the Corporations Act 2001. Saferoads will send the Entitlement Offer Document to Shareholders on Thursday, 20 November, as set out in the timetable.

Excluded Information

Saferoads advises that, as at the date of this notice there is no information:

- (a) That has been excluded from a continuous disclosure notice in accordance with ASX Listing Rules; and
- (b) That investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - i. The assets and liabilities, financial position and performance, profit and loss and prospects of the Company; or
 - ii. The rights and liabilities attaching to the shares.

Further Information

The Company anticipates that a maximum of 10,400,000 New Shares will be issued following the Entitlement Issue at an issue price of \$0.12 per Share.

Upon completion of the Entitlement Issue, assuming the issue is fully subscribed, the issued capital of Saferoads will be **36,400,000** fully paid ordinary shares. There is no other class of shares or options on issue.

The New Shares will rank equally in all respects with Saferoads existing Shares. If an eligible Shareholder's entitlement results in a fraction of a Share, the Shareholder's entitlement will be rounded up to the nearest whole share.

Trading of the New Shares is expected to commence on 16 December 2014. An Appendix 3B applying for quotation of the New Shares was lodged with ASX on 12 November.

Saferoads encourages all Shareholders to carefully consider the accompanying Offer Document and to consider fully supporting the Offer by taking up all of your entitlements.

Yours sincerely



David Ashmore
Chairman

Saferoads Holdings Limited