



13 November 2014

Dear Shareholder

#### **NON-RENOUCEABLE ENTITLEMENT ISSUE**

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On 12 November, Saferoads Holdings Limited (**ASX: SRH**) announced 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 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	<b>Wednesday, 12 November 2014</b>
Notice sent to Eligible Shareholders	<b>Thursday, 13 November 2014</b>
Shares quoted on an "ex-Entitlement" basis	<b>Friday, 14 November 2014</b>
Record date for determining entitlements of Eligible Shareholders under the Entitlement Offer	<b>Tuesday, 18 November 2014</b>
Entitlement Offer letter and Entitlement and Acceptance Forms dispatched to Shareholders	<b>Thursday, 20 November 2014</b>
Opening date	<b>Thursday, 20 November 2014</b>
Closing Date for acceptances under the Entitlement Offer	<b>Tuesday, 9 December 2014</b>
Expected commencement of trading on a deferred settlement basis of New Shares on ASX	<b>Wednesday, 10 December 2014</b>
ASX notified of under subscriptions	<b>Monday, 15 December 2014</b>
New Shares are issued, Shareholder holding statements dispatched and deferred settlement trading ends	<b>Tuesday, 16 December 2014</b>
Normal trading of New Shares commences	<b>Wednesday, 17 December 2014</b>

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

**SAFEROADS HOLDINGS LTD.** ABN 81 116 668 538

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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.

As you are a Shareholder with a registered address outside of Australia and New Zealand, the Entitlement issue will not be extended to you.

The Entitlement Offer documentation was lodged with ASX on 12 November and is available on the ASX and the Company's website at [www.saferoads.com.au](http://www.saferoads.com.au).

Should you have any queries regarding the Entitlement Issue or your ability to participate, please contact the Company's Share Registry on +61 1300 737 760.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Ashmore', followed by a period.

David Ashmore  
Chairman

**Saferoads Holdings Limited**