

4 June 2015

To: Shareholders of Tandou Limited

Dear Shareholder,

Webster Limited Offer to acquire Tandou Limited shares

I write to give you an update on the progress of the Webster Limited (**Webster**) off-market takeover offer dated 22 April 2015 (**Offer**) for your shares in Tandou Limited (**Tandou**). I also write to urge Tandou shareholders who have not yet accepted to accept the Webster Offer as soon as possible.

Webster launched its Offer on 22 April 2015 and, unless extended, is scheduled to close on 12 June 2015.

The terms of the Offer are set out in the bidder's statement dated 16 April 2015. The Webster Offer comes with the unanimous support of the Tandou board.

Having satisfied its minimum acceptance condition of 50.1%, Webster declared its Offer **unconditional** on 1 June 2015.

As at 3 June 2015 Webster had received acceptances for 65.7% of Tandou. Tandou is now a subsidiary of Webster. There has been a reconstitution of the Tandou board to reflect this assumption of control by Webster.

Yesterday the Tandou board, in an ASX release, urged those Tandou shareholders who had not accepted into the Offer, to do so immediately. An extract of Tandou's ASX announcement follows below:

"If Webster acquires less than 90% of Tandou's shares under the Offer, a number of possible implications arise for Tandou shareholders that do not accept the Offer. These are summarised as follows:

- Webster will be in a position to control the composition of Tandou's Board of Directors and senior management;***
- Tandou's share price may fall immediately following the end of the Offer period;***
- The liquidity of Tandou's shares may be lower than at present;***
- Webster may seek for Tandou to be removed from the official list of the ASX;..."***

In encouraging you to accept the Webster Offer, Webster directors note that the stock market has viewed the transaction favourably, with both Webster and Tandou share prices rising significantly since the Offer was announced. Webster shares closed on 3 June 2015 at \$1.84.

There is some risk, as Tandou directors have noted, that the Tandou share price will fall significantly following the close of the Offer. Tandou shares closed on ASX on 3 June 2015 at \$0.76. In the half year ending 31 December 2014 preceding the Offer the Tandou share price traded almost exclusively in the range of \$0.43 to \$0.45.

The Offer ratio of 1 Webster share for every 2.25 fully paid Tandou shares values a Tandou fully paid share at around \$0.82 each (based on the closing price of Webster shares on 3 June 2015).

I encourage you to accept the Offer. In doing so, you will join with a larger group with a substantial balance sheet, very significant water assets and a company which is on a strong but measured growth trajectory.

Further details on the Offer are contained in the Webster bidder's statement and Tandou target's statement, both dated 16 April 2015. Tandou shareholders are encouraged to read these documents before deciding whether to accept the Offer.

To assist Tandou shareholders to accept the Offer, Webster will now accept faxed and scanned Acceptance Forms.

You may now accept the Offer by completing and returning your Acceptance Form:

- **By post:** to the address on the Acceptance Form;
- **By fax:** to 03 6427 5001; or
- **By email:** to tandou@websterltd.com.au.

If you have any questions in relation to the Offer, or require a replacement Acceptance Form, please contact Susan Stegmann (by phone at 03 6427 5015 or email at tandou@websterltd.com.au).

To remind you again, unless extended, the **Offer is scheduled to close on Friday next week, 12 June 2015**. You should accept the Offer as soon as possible to ensure that your acceptance is received before the scheduled close of the Offer.

If you have any queries feel free contact Company Secretary, Susan Stegmann or CEO, John Hosken.

Yours sincerely,
WEBSTER LIMITED

A handwritten signature in black ink, appearing to be 'Rod Roberts', with a stylized, flowing script.

Rod Roberts
Chairman