



Dear US Shareholder,

21 March 2016

**RE: NON-RENOUNCEABLE RIGHTS ISSUE**

On 17 March 2016, Peako Limited (Peako) announced a one (1) for one (1) non- renounceable rights issue at an issue price of \$0.001 (1/10<sup>th</sup> of a cent) per new Peako share to raise up to approximately \$680,253 (before expenses) (Rights Issue).

Full details of the Rights Issue can be found in the Rights Issue offer document which was lodged with the ASX on 17 March 2016 and is available to download from both the ASX website (at [www.asx.com.au](http://www.asx.com.au)) and Peako's website (at [www.peako.com.au](http://www.peako.com.au)).

Peako has determined, pursuant to the Corporations Act 2001 (Cwth) and Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers under the Rights Issue to shareholders with a registered address outside of Australia and New Zealand. Accordingly, in compliance with ASX Listing Rule 7.7.1(a) and the Corporations Act, Peak wishes to advise you that it will not be extending the Rights Issue to shareholders resident in the United States of America. Accordingly, as your address is in the United States of America, you are not an Eligible Member but are an Ineligible Shareholder.

As an Ineligible Shareholder, you may receive value from the sale of the new shares to which you would have been entitled to apply for, had you been an Eligible Member. With the approval of ASIC, the Company has appointed Holdex Nominees Pty Ltd, a wholly owned subsidiary of Baillieu Holst Limited, as a nominee for the purposes of section 615 of the Corporations Act ("Nominee") to sell the new shares that might have otherwise been issued to Ineligible Shareholders. The nominee sale procedure referred to above will be as follows:

1. the Company will issue to the Nominee the new shares that Ineligible Shareholders would be entitled to if they were to participate in the offer of new shares under the Rights Issue;
2. the Nominee will use its best endeavours to sell the new shares at a price and otherwise in a manner determined by the Nominee in its sole discretion; and
3. the net proceeds of the sale of the new shares (after deducting the aggregate subscription price of the shares and the reasonable costs of the section 615 nominee procedure, including costs of sale), if any, will be distributed to the Ineligible Shareholders for whose benefit the new shares are sold in proportion to their shareholdings as at the Record Date.
4. If any such net proceeds of sale are less than such reasonable costs referred to above, such proceeds may be retained by the Company. Accordingly there is a possibility that Ineligible Shareholders may receive no net proceeds if the subscription price plus such costs are greater than the sale proceeds. The Company will not be held liable for the sale of any of the new shares of Ineligible Shareholders at any particular price or the timing of such a sale;
5. The Nominee will not sell any of the new shares to any related party of the Company or to any associate of any such related party.

If you have any queries about the Rights Issue please contact Peako's Share Registry, Security Transfer Registrars, on +61 (0)8 9315 2333.

Yours sincerely,

Raewyn Clark - Director