



28 May 2018

Dear Optionholder

ENSURANCE LIMITED - PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE

As announced on 28 May 2018, Ensurance Limited (ACN 148 142 634) (**Ensurance**) is undertaking a non-renounceable rights issue at a ratio of one (1) Share for every one (1) Share held (**Rights Issue** or **Offer**) of up to 173,113,862 fully paid ordinary shares (**New Shares**) to raise approximately \$6,924,554. The price of New Shares under the Offer is \$0.04 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC on 28 May 2018.

The Offer is fully underwritten by Patersons Securities Limited and Transocean Securities Pty Ltd (**Underwriters**). Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriters an issue management fee of 1.5% of the total gross amount raised under the Offer and an underwriting fee of 6% of the total amount underwritten.

The Company intends to apply the funds raised from the Offer towards:

	Proceeds of the Offer	Full Subscription (\$)	%
1.	Expansion of the business in the United Kingdom	2,568,125	37
2.	Retirement of short term debt	2,564,000	37
3.	Expenses of the Offer	635,594	9
4.	Restructuring cost	865,000	12
5.	Working capital	291,835	5
	Total	6,924,554	100

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (WST) on 1 June 2018, whose registered address is in Australia, New Zealand or Singapore.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued 173,113,862 New Shares resulting in total Shares on issue of 346,227,724.

Optionholders

The terms and conditions of the options you currently hold do not entitle you to participate in the Rights Issue unless you exercise your options in time for new shares to be allotted and to be entered on the Company's register of members on or before 5.00pm (WST) on 1 June 2018 (**Record Date**).

To exercise your options and thereby participate in the Rights Issue, you will need to deliver the following to Ensurance at PO Box 523, Milsons Point, NSW 1565:

- (a) A notice of exercise of options (attached to this letter);
- (b) An option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- (c) Payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "Ensurance Limited".

To ensure that your new shares are allotted prior to the Record Date, the above must be received by Ensurance Limited **no later than 29 May 2018**. If received after this date, allotment of new shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

This notice is important and requires immediate attention. If you have any queries concerning the Rights Issue, please contact your financial adviser or Sam Hallab, the Company Secretary, on +61 2 9806 2000.

Yours sincerely

Sam Hallab
Company Secretary
Ensurance Limited