

13 February 2019

Dear Shareholder

**RENOUNCEABLE PRO-RATA RIGHTS ISSUE
NOTICE TO ELIGIBLE SHAREHOLDERS**

Eden Innovations Ltd (the **Company**) has announced to ASX Limited (**ASX**) a renounceable pro-rata rights offer to the Company's shareholders (the **Entitlement Offer**).

This letter is not an offer document but rather gives advance notice of some of the key terms and conditions of the Entitlement Offer. Full details of the Entitlement Offer are set out in the prospectus for the Entitlement Offer (the **Prospectus**).

Overview

Under the Entitlement Offer the Company will offer to each Eligible Shareholder, at a price of \$0.054 per share, one (1) new ordinary fully paid share of the Company (**Share**) for every ten (10) Shares held by the Eligible Shareholder as at 5.00pm WST on 15 February 2019 (the **Record Date**). In addition, one (1) free Company option will issue with every two (2) new Shares issued under the Entitlement Offer, exercisable at \$0.08 at any time up to and including two (2) years after their date of issue (the **Options**).

In calculating entitlements under the Entitlement Offer, fractions will be rounded up to the nearest whole number.

The Company lodged the Prospectus with ASIC on 11 February 2019, and provided a copy to ASX on 12 February 2019.

If fully subscribed, the Entitlement Offer will result in the issue of approximately 154,767,689 Shares in the Company, and 77,383,844 Options, and will raise up to approximately \$8,537,455 (before expenses of the Offer). All of the Shares issued under the Entitlement Offer will rank equally with the Company's existing Shares (Code: EDE).

Funds raised from the Entitlement Offer will be used:

1. to fund the expenses of the Entitlement Offer;
2. to provide sufficient working capital to fund the on-going operations of the Company and its subsidiaries for up to the next 12 to 18 months.

Further details on the use of proceeds are set out in the Prospectus.

This Entitlement Offer is partially underwritten by Patersons Securities Limited A.C.N. 008 896 311 ("the **Underwriter**"). Subject to the underwriting agreement not being terminated prior to completion of the Entitlement Offer, Patersons has agreed to underwrite the Entitlement Offer for up to \$5,000,000 ("**Underwritten Amount**"). Patersons has procured and entered into a number of sub-underwriting agreements with a number of persons ("the **Sub-Underwriters**") to sub-underwrite the majority of the Underwritten Amount.

Shortfall Offer

If not all entitlements are taken up under the Entitlement Offer, the portion not taken up will form part of the shortfall (**Shortfall**). Eligible Shareholders who take up their entitlement in full may, in addition thereto, also apply for additional Shares comprising part of the Shortfall ("**Shortfall Shares**"). However, the Shortfall Shares will be placed at the discretion of the Company, and the Company reserves the right, if the amount raised under the Entitlement Offer and/or under the Shortfall Offer reach or exceed the Underwritten Amount, to reject (either in whole or part) any applications for the Shortfall Shares over the threshold. The Company also reserves the right to allot to an applicant a lesser number of Shortfall Shares (and accompanying Options) comprising the Shortfall than the number for which the applicant has applied, or to allot none of the Shortfall Shares (and accompanying Options) applied for by the applicant.

If the combined amount subscribed under the Entitlement Offer and by Eligible Shareholders under the Shortfall Offer is less than the Underwritten Amount, that part of the Shortfall will be taken up by the Underwriter (and Sub-Underwriters) provided the underwriting agreement is not terminated. The issue price of any Shortfall Shares comprising this portion of the Shortfall shall be \$0.054, being the price at which the new Shares have been offered to Eligible Shareholders under the Entitlement Offer.

The directors of the Company reserve the power of placement of any remaining Shortfall Shares not issued to Eligible Shareholders, the Underwriter or the Sub-Underwriters under the Shortfall Offer. The issue price of any Shortfall Shares comprising this portion of the Shortfall shall be not less than \$0.054.

Eligibility

Only shareholders whose registered addresses are in Australia or New Zealand as at the Record Date are eligible to participate in the Entitlement Offer (**Eligible Shareholders**). The Company has determined, in accordance with the *Corporations Act 2001* (the **Act**) and ASX Listing Rule 7.7, that it would be unreasonable to make the Entitlement Offer to shareholders whose registered addresses are outside of Australia and New Zealand (**Non-Resident Shareholders**) having regard to the number of Non-Resident Shareholders in each country other than Australia or New Zealand, the number and value of Shares (and attaching Options) that would be offered to them, and the cost of complying with the legal requirements in other countries. Non-Resident Shareholders will therefore not be entitled to participate in the Entitlement Offer and will not be sent a copy of the Prospectus.

As an Eligible Shareholder, you will be entitled to participate in the Entitlement Offer. Details of the Entitlement Offer will be contained in the Prospectus, which will be mailed to you on 18 February 2019. You should read the Prospectus carefully.

A copy of the Prospectus has been lodged with the ASX and is available on the ASX website, www.asx.com.au, and on the Company's website at www.edeninnovations.com.

Effect on capital structure

The capital structure of the Company on completion of the Entitlement Offer, the Shortfall Offer and the New Placement Options Offer will be as follows*:

Shares

Shares currently on issue	1,547,676,893
Shares offered under the Entitlement Offer (est)	154,767,689
Total Shares on issue on completion of the Entitlement Offer (est)	1,702,444,582

Options

Options currently on issue	72,059,422
Options offered under the Entitlement Offer (est)	77,383,844
New options offered to subscribers under the placement**	13,138,891
Total Options on issue on completion of the Entitlement Offer (est) and the Placement Options Offer	162,582,157

* Assuming the Entitlement Offer is fully subscribed.

** These new free Company options are being offered to investors who subscribed for Shares under a placement undertaken by the Company (as detailed in the Company's announcement to ASX on 31 January 2019). These options are being offered so that the entitlements of the investors, and of Eligible Shareholders under the Entitlement Offer, to free accompanying Company options, are the same.

Entitlement Offer timetable

The timetable and important dates of the Entitlement Offer are set out below:

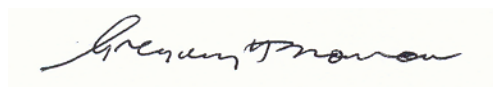
Announcement of Entitlement Offer	31 January 2019
Lodgement of Prospectus at ASIC	11 February 2019
Lodgement of Prospectus and Appendix 3B with ASX (before market opens)	12 February 2019
Notice sent to shareholders	13 February 2019
Ex date; Rights Trading commences	14 February 2019
Record Date for determining entitlements	15 February 2019
Prospectus despatched to Eligible Shareholders	18 February 2019
Rights Trading Ends	25 February 2019
Closing date of the Entitlement Offer	4 March 2019
Company notifies ASX of under subscriptions	7 March 2019
Issue Date (and end of any deferred settlement trading)	11 March 2019

All dates are indicative only and subject to change without prior written notice. Any extension to the Closing Date will have a consequential effect on the date of issue of the new securities.

Further information

If you require further information about the Entitlement Offer, you should contact the Company Secretary.

Yours faithfully



Gregory H Solomon
Chairman