



25 October 2019

Dear Optionholder

ENSURANCE LIMITED - PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE

As announced on 23 October 2019, Ensurance Limited (ACN 148 142 634) (**Ensurance**) is undertaking a pro rata non-renounceable rights issue at a ratio of four (4) Shares for every five (5) Shares held (together with one (1) free attaching option for every four (4) Shares subscribed for and issued (**New Option**)) (**Rights Issue or Offer**) of up to 252,869,455 fully paid ordinary shares (**New Shares**) and 63,217,364 New Options to raise approximately \$3,793,041. The price of New Shares under the Offer is \$0.015 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC on 25 October 2019.

The Offer is fully underwritten by Blue Ocean Equities Pty Limited (**Underwriter**). Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter 6% of the total amount of underwritten securities at the Issue Price of \$0.015 per Share.

The Company intends on applying the funds raised from the Offer towards continued expansion of the Company's operations in the United Kingdom, furthering the growth of the Company's Terrorism and Sabotage Insurance product, investment in a new IT system for the Company's UK operations and expenses of the Offer and working capital

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (WST) on 31 October 2019, whose registered address is in Australia, New Zealand, the United Kingdom, Jersey or Switzerland.

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 252,869,455 New Shares resulting in total Shares on issue of 568,956,274 and 63,217,364 New Options, resulting in total Options on issue of 118,348,979.

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 31 October 2019 (**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 483 Milsons Point NSW 2061:

- (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 5:00pm (WST) on 31 October 2019**. 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 80701800.

Yours sincerely

Sam Hallab
Company Secretary
Ensurance Limited