



29 October 2019

Dear Shareholder

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.

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.

Ineligible shareholders

A Shareholder who has a registered address outside Australia, New Zealand, the United Kingdom, Jersey and Switzerland (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia, New Zealand, the United Kingdom, Jersey and Switzerland compared with the small number of Ineligible Shareholders and the number and value of New Shares and New Options to which they would otherwise be entitled.

If you have any queries concerning the Rights Issue, please contact your financial adviser or Sam Hallab, Company Secretary, on +61 2 80701800.

Yours sincerely

Sam Hallab
Company Secretary