



Southern Cross Exploration N.L.

A.C.N. 000 716 012

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15 September 2014

Dear Shareholder,

Non-Renounceable Rights Issue – Notice to Shareholders

This letter is to notify you on Friday, 12 September 2014, Southern Cross Exploration N.L. ACN 000 716 012 (**Company**) announced a 1 for 1 non-renounceable pro rata entitlements issue of up to 538,421,600 new ordinary shares (**New Shares**) at an issue price of \$0.001 for each New Share to raise up to approximately \$538,421.60 before costs (**Offer**).

Each eligible shareholder will be entitled to subscribe for 1 New Share for every 1 Share held at 5.00pm (Sydney time) on Thursday, 18 September 2014 (**Record Date**).

The Offer is not underwritten.

Eligibility to the Offer

The Offer is available to shareholders of the Company who are registered as shareholders at 5.00pm (Sydney time) on the Record Date with registered addresses:

- (a) in Australia or New Zealand; or
- (b) outside Australia and New Zealand, to the extent that the Offer and issue of New Shares to such shareholder is lawful and permitted without the requirement for the Company to issue or lodge a prospectus or offer document or obtain regulatory approvals or licences in the foreign jurisdiction

(Eligible Shareholder).

The Company reserves the right to reject any application for New Shares under an Entitlement and Acceptance Form that it believes comes from a person who is not an Eligible Shareholder.

Purpose of the Offer

Proceeds raised from the Offer will be used to fund the Company's subscription of its second tranche of shares in Dateline Resources Limited ACN 152 582 217, for working capital to meet expenses required to manage a sale, joint venture or re-financing of the Company's mortgage over freehold land in Fiji and to fund the Company's general working capital requirements.

Offer Document and Offer Details

The Offer will be made to Eligible Shareholders pursuant to section 708AA of the *Corporations Act 2001* (Cth) (**Act**) (as modified by Australian Securities and Investments Commission Class Order 08/35) without the issue of a prospectus or disclosure document under Chapter 6D of the Act.

Details of the Offer including the rights attaching to the New Shares, together with all relevant information relating to the Offer are set out in the Letter of Offer document which was released on to the ASX announcements platform on 12 September 2014. A copy of the Letter of Offer is available on the ASX website www.asx.com.au by searching company announcements under the Company's ASX code "SXX", and also on the Company's website www.sxxgroup.com. A copy of the Letter of Offer with an Entitlement and Acceptance Form will be despatched to Eligible Shareholders on 19 September 2014.

The Offer is non-renounceable, meaning that entitlements cannot be sold, traded on the ASX or otherwise transferred. Therefore, Eligible Shareholders will not receive any value if they do not take up their Entitlements.

The New Shares issued under the Offer will be fully paid ordinary shares ranking equally in all respects with existing fully paid ordinary shares on issue in the Company. All fractional entitlements will be rounded down to the nearest whole number.

Key Dates

The proposed timetable for the Offer is as follows:

"Ex" Date (date from which securities commence trading without the entitlement to participate in the Offer)	16 September 2014
Record Date (date for determining entitlements to participate in the Offer)	18 September 2014
Opening Date of the Offer Despatch of Rights Issue letter of offer and personalised Entitlement and Acceptance Form to Eligible Shareholders	19 September 2014
Closing Date for acceptances (5pm Sydney time)	2 October 2014
Securities quoted on a deferred settlement basis	3 October 2014
Notification to ASX of under subscriptions	8 October 2014
Allotment of New Shares	9 October 2014
Despatch date/deferred settlement trading ends	10 October 2014
Trading of New Shares expected to commence on ASX	15 October 2014
Issuer statements/CHESS notices sent to Eligible Shareholders to confirm allotment of New Shares	On or before 20 October 2014

The above dates are indicative only. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the Closing Date or to withdraw the Offer at any time without prior notice.

Effect on Capital Structure

The table below sets out the impact of the Offer on the capital structure of the Company:

Shares	Number
Existing Shares as at 12 September 2014	538,421,600
Maximum number of New Shares issued pursuant to the Offer	538,421,600
Total issued Shares following completion of the Offer (assuming Offer is fully subscribed)	1,076,843,200

Further, the Company has released an Appendix 3B on ASX, containing detailed information to which Shareholders are referred. The Company has applied for quotation of the New Shares to be issued pursuant to the Rights Issue on ASX.

Questions

You should consider the Letter of Offer document in deciding whether to participate in the Offer.

If you have any queries concerning the Offer or your eligibility to participate, please do not hesitate to contact Stephen Baghdadi, Executive Director on +61 2 9375 2353.

Yours faithfully

Southern Cross Exploration N L



Stephen Baghdadi

Executive Director