

31 March 2015

Dear Shareholder

NON-RENOUCEABLE ENTITLEMENT ISSUE

On 30 March 2015, Kollakorn Corporation Limited (ASX: KKL) was pleased to announce a non-renounceable entitlement issue to eligible shareholders on the basis of one (1) new fully paid shares for every ten (10) existing shares held, at an issue price of \$0.007 per share to raise up to \$620,453. There is also an opportunity for Eligible Shareholders to apply for Additional Shares in excess of their Entitlement under the Shortfall Offer.

The Entitlement Issue will be available to registered Shareholders as at 7.00pm (AEDT) on Tuesday 7 April 2015. Shares issued pursuant to the Entitlement Issue will rank equally with all shares on issue.

The proposed timetable for the Entitlement Issue is set out below:

Timetable

EVENT	DATE
Announcement of Entitlement Offer and ASX Appendix 3B, section 708AA(2)(f) notice with ASX and Offer Document lodged with ASX	Monday 30 March 2015
Notice sent to Eligible Shareholders	Tuesday 31 March 2015
Shares quoted on an “ex-Entitlement” basis	Wednesday 1 April 2015
Record date for determining entitlements of Eligible Shareholders under the Entitlement Offer	Tuesday 7 April 2015
Entitlement Offer letter and Entitlement and Acceptance Forms dispatched to Shareholders	Thursday 9 April 2015
Opening date	Thursday 9 April 2015
Closing Date for acceptances under the Entitlement Offer	Tuesday 21 April 2015
Expected commencement of trading on a deferred settlement basis of New Shares on ASX	Wednesday 22 April 2015
ASX notified of under subscriptions	Friday 24 April 2015
New Shares are issued, Shareholder holding statements dispatched and deferred settlement trading ends	Tuesday 28 April 2015
Normal trading of New Shares commences	Wednesday 29 April 2015

The Timetable is indicative only and may be subject to change.

In accordance with the ASX Listing Rules, Kollakorn considered the number of Shareholders with registered addresses outside of Australia and New Zealand together with the size of their shareholding. Taking this into consideration, as well as the costs associated with complying with the regulatory authorities outside of Australia and New Zealand, the Company believes it is unreasonable to extend the Entitlement Offer to Shareholders outside of Australia and New Zealand.

The Entitlement Issue is being made without a disclosure document in accordance with an exception granted in section 708AA of the Corporations Act 2001. Kollakorn will send the Entitlement Offer Document to Shareholders on 9 April, as set out in the timetable.

Excluded Information

Kollakorn advises that, as at the date of this notice there is no information:

- (a) That has been excluded from a continuous disclosure notice in accordance with ASX Listing Rules; and
- (b) That investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - i. The assets and liabilities, financial position and performance, profit and loss and prospects of the Company; or
 - ii. The rights and liabilities attaching to the shares.

Further Information

The Company anticipates that a maximum of 88,636,151 New Shares will be issued following the Entitlement Issue at an issue price of \$0.007 per Share.

Upon completion of the Entitlement Issue, assuming the issue is fully subscribed, the issued capital of Kollakorn will be 974,997,665 fully paid ordinary shares.

The New Shares will rank equally in all respects with Kollakorn existing Shares. If an eligible Shareholder's entitlement results in a fraction of a Share, the Shareholder's entitlement will be rounded up to the nearest whole share.

Trading of the New Shares is expected to commence on 29 April 2015. An Appendix 3B applying for quotation of the New Shares was lodged with ASX on 30 March.

Kollakorn encourages all Shareholders to carefully consider the accompanying Offer Document and to consider fully supporting the Offer by taking up all of your entitlements.

Yours sincerely



Riad Tayeh
Chairman