



**VALENCE
INDUSTRIES**

ASIA PACIFIC | EUROPE | NORTH AMERICA

13 May 2015

Dear Overseas Shareholder

Renounceable Rights Issue

On Thursday 7 May 2015, Valence Industries Limited (ASX:VXL) (**Valence**) announced a 1 for 6 renounceable pro rata entitlement issue at 29 cents per new Valence share, together with one (1) free attaching listed option (in the same class as the existing listed options) for every 2 shares subscribed for (**Rights Issue**).

The Prospectus for the Rights Issue was lodged with ASIC and ASX on Thursday 7 May 2015, and is available to download at both www.asx.com.au using ASX code "VXL" and at Valence's website www.valenceindustries.com.

Valence has determined, pursuant to the Corporations Act 2001 (Cth) and Listing Rule 7.7.1(a) of the Listing Rules of the Australian Securities Exchange (**ASX Listing Rules**) that it would be unreasonable to make offers under the Rights Issue to shareholders with a registered address outside of Australia and New Zealand. Accordingly, in compliance with ASX Listing Rule 7.7.1(a) and the Corporations Act, Valence wishes to advise that it will not be extending the Rights Issue to shareholders with registered addresses outside of Australia or New Zealand as at the record date, being 7:00pm (AEST) Monday 18 May 2015 (**Record Date**).

Valence has appointed Patersons Securities Limited (**Nominee**) on normal commercial terms, as nominee for foreign shareholders to sell the entitlements they would have been offered under the Rights Issue had they been eligible to participate in the Rights Issue (**Entitlements**). The Nominee will have the absolute and sole discretion to determine the timing, price and manner of sale of the Entitlements. The net proceeds (in Australian dollars), if any, of the sale (in Australian dollars) of the Entitlements will be distributed to foreign shareholders pro rata in proportion to their respective shareholdings as at the Record Date (after deducting the costs of the sale and the costs of distributing the proceeds). There is no guarantee that the Nominee will be able to sell the Entitlements and foreign shareholders may receive no value for the Entitlements. Neither Valence nor the Nominee will be subject to any liability for failure to sell the Entitlements or to sell them at a particular price.

If you have any queries about the Rights Issue please contact Valence's Share Registry, Link Market Services Ltd, on +61 1800 009 918 (toll free within Australia).

Yours sincerely

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Company Secretary

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