

23 June 2015

Dear Option holder

AtCor Medical Holdings Limited (AtCor) – Non-Renounceable Rights Issue

On 17 June 2015, AtCor announced a fully underwritten non-renounceable rights issue of 17,793,393 new fully paid ordinary shares (**Rights Issue**) under which its eligible shareholders will be offered 1 fully paid ordinary share in AtCor for every 10 fully paid ordinary shares held on the record date, at an issue price of A\$0.18 per share.

This Rights Issue offer will be made to those shareholders of AtCor with registered addresses in Australia and New Zealand only and will be fully underwritten by Taylor Collison Limited.

The Rights Issue will raise approximately \$3,202,811 before costs. The cash raised will be used for funding:

- Costs for additional personnel, consulting and other services in preparation for the CPT1 code that is expected to take effect from 1 January 2016;
- Acceleration of the company's product development program; and
- Additional working capital.

The record date for determining entitlements to the rights issue is 7pm Australian Eastern Standard Time on **30 June 2015**.

Under the terms and conditions of the options that you currently hold, there is no entitlement to participate in the Rights Issue. If you wish to participate in the Rights Issue you must first exercise your options by **5.00 pm (Sydney time) on 26 June 2015** so that AtCor can allot and issue your shares in time for you to participate in the Rights Issue.

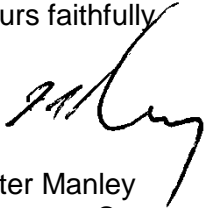
Please note that only vested options can be exercised. Before deciding whether to exercise any vested options, you should consider whether that is a suitable course of action for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. You should seek your own professional advice, including tax advice.

It is not compulsory to exercise your vested options. However, if you wish to do so, please complete all of the steps required by the terms and conditions of the options, including payment of the relevant exercise price. Failure to exercise your options by this deadline will mean that you are not eligible to participate in the Rights Issue for those options or the shares to be issued upon exercise of those options.

Please contact me on +61 (2) 9874 8761 at any time from 8.30 am to 5.30 pm (Sydney time) Monday to Friday if you have any questions about your options.

For your information, further details on the Rights Issue can be accessed on our website at www.atcormedical.com.au or the ASX website at asx.com.au under ASX Code "ACG".

Yours faithfully

A handwritten signature in black ink, appearing to read 'P Manley', written over the closing 'Yours faithfully'.

Peter Manley
Company Secretary
AtCor Medical Holdings Limited