

2 July 2015

Dear Shareholder,

The Environmental Group Limited (**EGL**) recently announced a non-renounceable rights issue (**Rights Issue**) in accordance with section 708AA of the Corporations Act 2001.

Shareholders with an address in Australia or New Zealand recorded on EGL's register of members at 7 July 2015 will be offered the opportunity to subscribe for 1 fully paid ordinary share in EGL (**New Shares**) for every 3 fully paid ordinary share held at 7:00pm (AEST) on 7 July 2015, with fractional entitlements rounded up.

EGL has determined, in accordance with Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to offer participation in the Rights Issue to shareholders outside of Australia and New Zealand due to the legal limitations in some countries, the relatively small number of shares held by shareholders in other countries, the likely funds that would be raised from shareholders in those countries and the cost of complying with regulatory requirements in those countries.

Accordingly, as you do not have an address in Australia or New Zealand recorded on EGL's register of members, EGL unfortunately must advise you that **you will not be extended the opportunity to participate in the Rights Issue**.

Under the terms of the offer you are not eligible to subscribe for New Shares and you will not be sent a copy of the offer documents.

This notice is to inform you of the Rights Issue. It is not an offer to issue New Shares to you, nor is it an invitation to apply for New Shares. You are not required to do anything in response to this letter.

If you have any questions in relation to this letter please seek professional advice or contact David Cartney, Non-Executive Chairman on 0407 828 762 or Allan Fink, Chief Financial Officer on 02 8852 3811 during office hours.

Yours sincerely,



David Cartney  
Chairman