

3 December 2015

Dear Shareholder

**ALS LIMITED ACCELERATED NON-RENOUCEABLE ENTITLEMENT OFFER -
NOTIFICATION TO INELIGIBLE RETAIL SHAREHOLDERS**

On 26 November 2015, ALS Limited ("ALS") announced a fully underwritten pro-rata accelerated non-renounceable entitlement offer of new ALS ordinary shares ("New Shares") at an offer price of A\$3.35 per New Share ("Offer Price") to raise approximately A\$325 million ("Entitlement Offer").

This letter is to inform you about the Entitlement Offer, and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter.**

The Entitlement Offer and use of proceeds

The Entitlement Offer comprises an offer to certain eligible institutional shareholders ("Institutional Entitlement Offer") and an offer to Eligible Retail Shareholders (defined below) to participate at the same Offer Price and offer ratio noted below ("Retail Entitlement Offer"). The Entitlement Offer is being made by ALS in accordance with section 708AA of the *Corporations Act 2001* (Cth) (as modified by Australian Securities and Investments Commission Class Order [CO 08/35] and other relief) ("Act"), meaning that no prospectus needs to be prepared in relation to the Entitlement Offer.

The net proceeds from the Entitlement Offer will be used by ALS to strengthen the balance sheet and provide funding flexibility to accelerate growth in its Life Sciences Division.

Details of the Retail Entitlement Offer

The Retail Entitlement Offer is being made to Eligible Retail Shareholders on the basis of an entitlement to subscribe for 5 New Shares for every 21 existing ALS ordinary shares held on the Record Date of 7.00pm AEDT on 1 December 2015 ("Entitlement").

An offer booklet in relation to the Retail Entitlement Offer ("Retail Offer Booklet") was lodged with ASX today and will be despatched to Eligible Retail Shareholders on or around 3 December 2015.

Eligibility criteria

“Eligible Retail Shareholders” are those persons who are registered as a holder of existing ALS ordinary shares as at 7.00pm AEDT on the Record Date (being 1 December 2015) and who:

- have a registered address in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds ALS shares for the account or benefit of such person in the United States);
- were not invited to participate (other than as a nominee, in respect of other underlying holdings) in the Institutional Entitlement Offer and were not treated as ineligible institutional shareholders under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without a prospectus, disclosure document or any lodgement, filing, registration or qualification.

Shareholders who are not Eligible Retail Shareholders and who were not invited to participate in the Institutional Entitlement Offer and were not treated as ineligible institutional shareholders under the Institutional Entitlement Offer, are “Ineligible Retail Shareholders”, and consequently unable to participate in the Retail Entitlement Offer.

The restrictions upon eligibility to participate in the Retail Entitlement Offer arise because of the legal and regulatory requirements in countries other than Australia or New Zealand and the potential costs to ALS of complying with these legal and regulatory requirements compared with the relatively small number of ALS shareholders in those countries, the relatively small number of existing ALS ordinary shares they hold and the relatively low value of New Shares which they would otherwise be entitled to apply for. ALS has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Act, that it would be unreasonable to make or extend offers to shareholders in certain countries under the Retail Entitlement Offer.

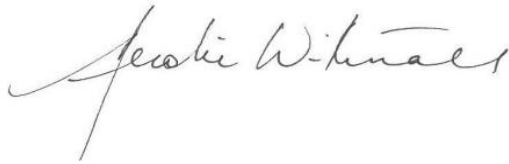
Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Act, ALS wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent the documents relating to the Entitlement Offer and you will not receive any value for the New Shares to which you would otherwise have been entitled.

You are not required to do anything in response to this letter.

For further information on the Entitlement Offer or if you believe that you are an Eligible Retail Shareholder, you can call the ALS Offer Information Line on 1300 082 130 (Australia) or +61 2 8016 2884 (International callers) from 8.30am to 5.00pm AEDT, Monday to Friday. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

On behalf of the Board of ALS, I thank you for your continued support.

Yours faithfully,



Nerolie Withnall
Chairman

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES.

Important information

This letter is issued by ALS Limited, ABN 92 009 657 489 ("ALS"). This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in ALS in any jurisdiction. This letter will not form any part of any contract for the acquisition of ALS ordinary shares.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been, or will be, taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia or New Zealand. In particular, neither the Entitlements nor the New Shares referred to herein have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be issued to, or taken up or exercised by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for account or benefit of persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold to persons that are not in the United States and are not acting for the account or benefit of persons in the United States, in each case, in 'offshore transactions' (as defined in Rule 902(h) under the Securities Act) in compliance with Regulation S under the Securities Act.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.