

5 May 2016

via ASX Online

ASX Market Announcements Office
Australian Securities Exchange

**TasFoods Limited ('the Company')
Documentation sent to Shareholders**

The Company hereby provides a copy of a letter from the Chairman regarding the proposed capital raising that will be dispatched to shareholders.

ENDS

5 May 2016

Dear shareholder

Proposed capital raising issue price fixed at \$0.25 each and offer underwritten to \$25 million

Further to the announcement by TasFoods Limited (**Company**) on 29 April 2016 about the proposed capital raising to assist with funding the proposed acquisition of Nichols Poultry Pty Ltd and associated assets (**Nichols Poultry**) and to provide the Company with working capital as it continues its strategy of building an integrated business based on premium branded food products primarily sourced from Tasmania (**Offer**), the directors of the Company have now determined that the issue price will be fixed at \$0.25 for each share. As a result, the Offer will be for up to 121 million ordinary shares in the Company at an issue price of \$0.25 each to raise up to \$30.25 million (before the costs of the Offer).

The Company has also entered into an underwriting agreement (**Underwriting Agreement**) with Bell Potter Securities Limited (**Bell Potter**) in relation to the Offer. Hugh Robertson, a director of the Company, is an authorised representative of Bell Potter.

The key terms of the Underwriting Agreement are as follows:

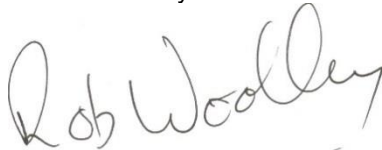
1. Bell Potter must procure subscriptions for up to 100 million Shares which are the subject of the Offer, subject to the terms of the Underwriting Agreement. This represents \$25 million (or approximately 83%) of the \$30.25 million which the Company is seeking to raise under the Offer.
2. Bell Potter is entitled to the following:
 - (a) Underwriting commission of 4% of the gross proceeds of the capital raising under the Offer.
 - (b) Reimbursement of reasonable costs incurred by Bell Potter in relation to the Offer.

In consequence, Bell Potter may earn up to \$1.21 million in commission, plus costs and GST.

3. Bell Potter and its related bodies corporate, officers and employees are indemnified by the Company against certain claims arising in relation to the Offer, such as any misleading or deceptive statement in the prospectus, subject to certain limitations.
4. The commitment of Bell Potter is subject to the fulfilment of a number of conditions. The key ones are that:
 - (a) the prospectus for the capital raising under the Offer, in a form acceptable to Bell Potter (acting reasonably), is lodged with ASIC; and
 - (b) the Company's shareholders pass the resolutions in relation to the Offer and the Nichols Poultry acquisition.

5. Bell Potter may terminate its underwriting obligation, and thereby be released from it, if certain events occur, including if:
- (a) the S&P/ASX All Ordinaries Index falls to a level that is 90% or less of the level as at the close of trading on the date of the Underwriting Agreement;
 - (b) an adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company or Nichols Poultry, and Bell Potter reasonably believes that this event has (or is likely to have) a materially adverse effect on the Offer; or
 - (c) there is an outbreak of new hostilities involving Australia, China, the United Kingdom or the United States of America or a major terrorist act is perpetrated on any of those countries, and Bell Potter reasonably believes that this event has (or is likely to have) a materially adverse effect on the Offer.
6. Bell Potter may appoint sub-underwriters to commit to taking up underwritten shares under the Offer.

Yours sincerely



Rob Woolley
Chairman