

19, October 2016

«Nominee»  
Attention: «Name»  
Email address: [            ]

Dear [Name]

**SALMAT LIMITED ABN (11 002 724 638) ("ISSUER")**

**1 for 4.7 accelerated non-renounceable entitlement offer ("Entitlement Offer") of new fully paid ordinary securities in the Issuer ("New Securities") to raise approximately A\$15 million**

**Ineligible Retail Securityholder Letter**

On Friday, 14 October 2016 Salmat Limited ("**Salmat**" or the "**Issuer**") announced an accelerated non-renounceable pro-rata entitlement offer to eligible securityholders to subscribe for 1 new fully paid ordinary shares in the Issuer ("**New Securities**") for every 4.7 existing fully paid ordinary shares ("**Securities**") held on the Record Date (7.00pm (Sydney time) Tuesday 18 October 2016) ("**Record Date**") (the "**Entitlement Offer**").

The Capital Raising is being made by the Issuer without a disclosure document in accordance with section 708AA of the *Corporations Act 2001* (Cth) ("the **Act**") as notionally modified by the Australian Securities & Investments Commission ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

The Entitlement Offer comprises an offer to eligible institutional securityholders ("**Institutional Entitlement Offer**") and an offer to Eligible Retail Securityholders (as defined below) only ("**Retail Entitlement Offer**").

Macquarie Capital (Australia) Limited ("**Lead Manager**") is the Underwriter and Lead Manager for the Entitlement Offer.

The Issuer has recently lodged an Information Booklet with the Australian Securities Exchange ("**ASX**") which sets out further details in respect of the Entitlement Offer, particularly in respect of retail Securityholders. Unless otherwise specified, capitalised terms used in this letter have the same meaning as given in the Information Booklet.

Restrictions on eligibility under the Retail Entitlement Offer arise because of legal limitations in the jurisdiction in which you are located, the number of Securityholders in your jurisdiction, the number and value of securities that Securityholders in your jurisdiction hold and the potential cost of complying with regulatory requirements in your jurisdiction.

The Issuer 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 offers to Securityholders in all countries outside Australia and New Zealand in connection with the Retail Entitlement Offer. Further details in respect of the Entitlement Offer (including details of eligibility) can be found on the announcements platform of the ASX ([www.asx.com.au](http://www.asx.com.au)).

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Securityholder stated below. In compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Act, this notice is to inform you that under the terms of the Entitlement Offer, you are not entitled to participate in the Retail Entitlement Offer and as such, will not be offered any New Securities or entitlements under the Retail Entitlement Offer. You will not be sent a copy of the Information Booklet.

Securityholders who are eligible to participate in the Retail Entitlement Offer ("**Eligible Retail Securityholders**") are Securityholders as at 7.00pm (Sydney time) on the Record Date who:

- a) are registered as a holder of Securities;
- b) have a registered address on the Issuer's security register in Australia or New Zealand (or are a Securityholder that the Issuer has otherwise determined is eligible to participate);
- c) are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States;
- d) were not invited to participate in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer
- e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

The Entitlement Offer is non-renounceable. A number of Securities equal to the number that you would otherwise be entitled to subscribe for under the Retail Entitlement Offer will be subscribed by the Underwriter and sub-underwriters at the offer price. As a result no amount will be payable to you and you will not otherwise receive any value for entitlements in respect of any New Securities that would have been offered to you if you were eligible. This notice is not an offer to issue New Securities to you, nor an invitation for you to apply for New Securities. You are not required to do anything in response to this letter.

Yours sincerely



Peter Mattick  
**Non-Executive Chairman**

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any person in the United States. In particular, the New Securities have not been, and will not be, registered under the US Securities Act of 1933 (the “Securities Act”) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by, and the New Securities may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of persons in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.

You acknowledge and agree that:

- determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Issuer and the Lead Manager; and
- each of the Issuer and the Lead Manager and each of their respective Affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.