



HILLCREST LITIGATION SERVICES LIMITED

10 October 2016

Dear Shareholder

HILLCREST LITIGATION SERVICES LIMITED – PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE

As announced on 6 October 2016, Hillcrest Litigation Services Limited (ACN 060 094 742) (**Company**) is undertaking a 1:5 pro rata non-renounceable rights issue (**Rights Issue** or **Offer**) of approximately 61,861,827 fully paid ordinary shares (**New Shares**) to raise approximately \$309,309. The price of New Shares under the Offer is \$0.005 each (**Issue Price**). The Company lodged an offer document for the Offer (**Offer Document**) with ASX on 6 October 2016.

The Offer is underwritten by PAC Partners Pty Ltd (ABN 13 165 738 438) a Corporate Authorised Representative of PAC Asset Management Pty Ltd holder of an Australian Financial Services Licence (AFSL No. 335 374) (**Underwriter**). The Company must pay the Underwriter an underwriting fee of the total gross amount underwritten by the Underwriter. The Company must also reimburse the Underwriter for costs incidental to the Offer.

The Company intends to apply the funds raised under the Offer as follows:

Items of Expenditure	\$	%
Due diligence and acquisition costs in relation to the Proposed Acquisition	200,000	65
Working capital	80,749	26
Expenses of the Offer	28,560	9
Total	309,309	100

Notes:

1. On 6 October 2016 the Company announced that it has entered into a share sale agreement to acquire 100% of the issued shares of The Infant Food Holding Co. Pty Limited on certain terms and conditions (**Proposed Acquisition**). If the Proposed Acquisition does not proceed, the Company intends to apply these funds towards its current projects, working capital and the review of alternative investment and divestment opportunities.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (WST) on 12 October 2016, whose registered address is in Australia or New Zealand.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 61,861,827 New Shares resulting in total Shares on issue of approximately 371,170,963.

A copy of the Offer Document is available on ASX's and the Company's website. Eligible Shareholders will be mailed an Offer Document together with an Entitlement and Acceptance Form no later than 17 October 2016. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Offer Document.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for New Shares pursuant to the Offer Document (**Entitlement**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Computershare Investor Services Pty Limited (**Share Registry**) by no later than 5:00pm (WST) on 27 October 2016, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form
- You may wish to accept all of your Entitlement and apply for additional Shares to be issued from the shortfall pool by following the instructions on your Entitlement and Acceptance Form (**Shortfall**). To take up all of your Entitlement and apply for Shortfall you will need to ensure your application money for your Entitlements and Shortfall you wish to apply for is received by the Share Registry by no later than 5:00pm (WST) on 27 October 2016, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.005 per New Share). Eligible Shareholders who hold an unmarketable parcel of Shares as at the Record Date will be given priority to top-up their shareholding to a value of \$2,000 or more under the Shortfall Offer. Other than this priority, the Underwriter, in consultation with the Directors, reserves the right to issue additional Shares at its absolute discretion.
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 5:00pm (WST) on 27 October 2016, by completing and returning your Entitlement and Acceptance Form by filling in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.005 per New Share).

- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

Key dates for the Offer

Event	Proposed Date
Offer Document, Cleansing Notice and Appendix 3B lodged with ASX	6 October 2016
Notice of Rights Issue sent to security holders	10 October 2016
Existing shares quoted on an 'ex' basis	11 October 2016
Record date	12 October 2016
Despatch of Rights Issue Documents to Eligible Shareholders Offer Period Opens	17 October 2016
Offer Period Closes	27 October 2016
Securities quoted on a deferred settlement basis.	28 October 2016
Notification of under-subscriptions to ASX (if any)	2 November 2016
Shortfall Settlement date	3 November 2016
Shares Issued Holding statements despatched	4 November 2016

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or Mr Jay Stephenson, the Company Secretary, on +61 8 9324 3266.

Yours sincerely



Jay Stephenson
Director / Company Secretary



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Ineligible shareholders

A Shareholder who has a registered address outside Australia and New Zealand (Ineligible Shareholder) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Offer Document. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

If you have any queries concerning the Rights Issue, please contact your financial adviser or Mr Jay Stephenson, the Company Secretary, on +61 8 9324 3266.

Yours sincerely

A handwritten signature in black ink, appearing to be 'J. Stephenson', written in a cursive style.

Jay Stephenson
Director / Company Secretary