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18 July 2016

Dear Shareholder,

Share Purchase Plan

Potash West NL (ASX:PWN) (**Company**) is pleased to offer existing shareholders the opportunity to participate in a Share Purchase Plan to raise a minimum of \$500,000 (**Plan** or **Offer**) and to provide the Company with working capital and to continue development activities at the Dinner Hill Fertiliser Project in the Dandaragan Trough, Western Australia.

Under the Plan, each eligible shareholder will be entitled to apply for parcels of new shares in the Company valued at \$2,000, \$5,000, \$10,000 and \$15,000. The issue price under the offer will be \$0.03 per Share (**Offer Price**), representing a 20% discount to the volume weighted average price of the Company's shares quoted on the ASX for the 5 trading days prior to and including the last trading day immediately prior to the announcement of this Plan (the last trading day was 12 July 2016). Shareholders who are recorded on the share register as at 5.00pm (WST) on 12 July 2016 will be eligible to participate in the Plan. The shares issued under the Plan will rank equally to the existing shares on issue. The Company plans to issue a bonus issue of Contributing Shares, prior to 31 October 2016.

The Company intends to raise \$1,500,000 under the Plan which will be applied towards providing the Company with working capital and to continue development activities at the Dinner Hill Fertiliser Project in the Dandaragan Trough, Western Australia. If total applications exceed \$1,500,000 to be raised under the Plan, the directors of the Company may in their absolute discretion accept or scale-back all applications on an equitable basis.

The market price for the Company's shares may change between the announcement date and the issue date of new shares (anticipated to be 8 August 2016). If the market price of shares on the issue date falls below the Offer Price, you may be disadvantaged by purchasing shares under the Plan. Eligible shareholders wanting to participate in the Plan should obtain independent professional advice about the taxation consequences of an investment under the Plan.

Eligible shareholders are able to purchase a parcel of new shares worth \$2,000, \$5,000, \$10,000 or \$15,000 at the Offer Price without incurring brokerage or transaction costs. All new shares issued under the Plan will rank equally with existing ordinary shares in the Company. To apply for a parcel of shares, please follow the instructions on the **enclosed** application form and ensure that your application is received in cleared funds no later than 5.00pm (WST) on 5 August 2016. The Plan is expected to close on 5 August 2016 and is not subject to shareholder approval.

I encourage you to read the **enclosed** Terms and Conditions carefully. If you are unsure about whether to participate, please contact your professional adviser without delay. If you require further information, please contact us on +61 9479 5386.

On behalf of the Board, I invite you to consider this opportunity to increase your investment in the Company and thank you for your continued support as a shareholder.



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Yours sincerely,

PARTICK MCMANUS
Managing Director