

11 December 2008  
RECOCOR1/C222

Dear Option holder

**Option Expiry Notice**  
**31 December \$0.10 Options**

Notice is hereby given that Reco Financial Services Limited ('the company') options that you hold will expire on Wednesday 31<sup>st</sup> December 2008. Prior to this date, you need to decide if you intend to exercise your options, or allow them to lapse whereby they will have value and no further entitlement will exist. In accordance with the ASX Listing Rules the company advises the following:

1. The options exercise price is \$0.10 each (ten cents) for each 31<sup>st</sup> December 2008 option.
2. The due date for payment for the options exercise is 31<sup>st</sup> December 2008.
3. If the existing optionholders do not elect to exercise their options by 31<sup>st</sup> December 2008 and do not make the payment of 10 cents per option then their options will lapse.
4. Quotation of the 31<sup>st</sup> December 2008 options will cease trading on the 19<sup>th</sup> December 2008.
5. The last market sale price of the ordinary shares on the 10<sup>th</sup> December was \$0.0070
6. During the last three (3) months the highest and the lowest closing share prices were;

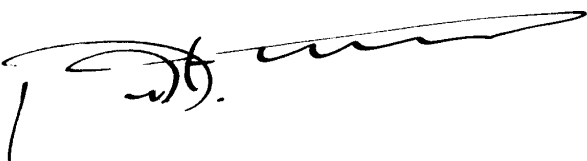
Highest- \$0.0150 on 12<sup>th</sup> September 2008  
Lowest- \$0.0070 on 10<sup>th</sup> December 2008

To exercise your options please complete the form with this letter and return to the share registry before 5pm on 31<sup>st</sup> December 2008. A reply paid envelope has been included.

All fully paid ordinary shares issued upon exercise of the options will rank pari passu in all respects with the Company's existing ordinary fully paid shares. The company will apply for Official Quotation by Australian Stock Exchange Limited of all shares issued upon exercise of the options.

Should you have any queries with respect to the above, please contact the Company on (08) 9367 8133.

Yours Faithfully



**Robert Marusco**  
Company Secretary

# RECO FINANCIAL SERVICES LIMITED

ABN 86 073 153 223

## NOTICE OF EXERCISE OF OPTIONS EXPIRING 5.00 PM AEST 31 DECEMBER 2008

I/we .....hereby exercise my/our option to apply for ..... ordinary fully paid shares at \$0.10 cents per share in Reco Financial Services Limited ("Company").

I/We enclose my/our cheque for \$..... Australian Dollars being payment at the rate of \$0.10 cents per share. I/We request that the Company allot to me/us the shares to which I/we am/are entitled in accordance with the terms and conditions of Options appearing overleaf. I/We agree to accept the shares allotted to me/us subject to the Constitution of the Company. If this Notice is signed by an Attorney, the Attorney hereby declares that no notice of revocation has been received in respect of the Power under authority of which this Notice is signed.

Security holder Reference Number (SRN)  
or Holder Identification Number (HIN):.....

### SIGNING REQUIREMENTS

I/We authorise you to act in accordance with my/our instructions above.

Security Holder 1 (Individual)

Security Holder 2 (Individual)

Joint Security Holder 3 (Individual)

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

DATE

Day	/	Month	/	Year
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This form must be signed correctly by the shareholder(s). Where the shareholder is an individual, a single signature is required. In the case of a joint holding, the signatures of each holder are required. Where the request is signed by an attorney under power of attorney, please print the name of the attorney and state that the request is signed under power of attorney (eg. John Smith as attorney of Greg Jones under power of attorney), and produce the power of attorney for noting by the Company. Companies need to sign in accordance with their constitution.

**Cheques must be in Australian currency made payable to "Reco Financial Services Limited" and crossed "Not Negotiable".**

THIS APPLICATION FORM WITH THE APPROPRIATE REMITTANCE SHOULD BE LODGED AT THE COMPANY'S SHARE REGISTRY:

By Mail: Link Market Services  
GPO Box 2537  
BRISBANE QLD 4001

Or hand delivery: Level 12, 300 Queen Street  
BRISBANE QLD 4000

Contact Name: .....

Daytime Contact Phone Number: (...) .....

# RECO FINANCIAL SERVICES LIMITED

ABN 86 073 153 223

## Terms and Conditions of Options

- (a) the Options are exercisable at any time prior to 5.00pm EST on 31 December 2008 (Expiry Date). Options not exercised on or before the expiry date will automatically lapse;
- (b) the exercise price of each Option is \$0.10 each;
- (c) any the Option may be exercised by completing this application form for Shares (Notice of Exercise) delivered to the Company's Share Registry and received by it any time prior to the Expiry Date;
- (d) upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be allotted and issued a Share ranking pari passu with the then issued Shares. The Company will apply to ASX to have the Shares granted official quotation;
- (e) any Notice of Exercise received by the Company's share registry on or prior to the expiry date will be deemed to be a Notice of Exercise as at the last Business Day of the month in which such notice is received;
- (f) there will be no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, holders of Options will be notified by the Company in accordance with the requirements of the ASX Listing Rules;
- (g) in the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2;
- (h) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the expiry date, all rights of an optionholder are to be changed in a manner consistent with the ASX Listing Rules; and
- (i) Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the date of the Notice of Exercise.