



Coote Industrial Ltd
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7 June 2010

Letter sent to Coote Option Holder

Please find attached a letter sent to Coote Industrial Limited option holder today.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'R. Stampalia'.

Roland Stampalia
Company Secretary
T: +61 (0)8 9251 8000
E: roland.stampalia@coote.com.au

7 June 2010

Dear option holder

Entitlement Issue

Coote Industrial Limited ABN 99 120 432 144 ("**Company**") announced today that it would be undertaking a fully underwritten pro-rata non-renounceable entitlement issue of fully paid ordinary shares. The entitlement issue will be made without disclosure to investors, pursuant to section 708AA of the Corporations Act 2001 (Cwlth). The Company expects that the entitlement issue will close on 6 July 2010.

The entitlement issue is open only to eligible shareholders with registered addresses in Australia and New Zealand as at the record date of 5.00pm Perth time on Wednesday, 16 June 2010. The entitlement issue is being undertaken on the basis of one new share for every share held (1:1), at an issue price of \$0.16 per new share, to raise approximately \$42.6 million before costs.

The ASX Listing Rules require the Company to notify you of your right to participate in an entitlement issue of shares and the record date for the entitlement issue.

Your options do not entitle you to participate in the entitlement offer. To participate in the entitlement offer in respect of your options you would need to exercise your options (if vested) and be entered onto the Company's share register as a shareholder on or before the record date of 5.00pm Perth time on Wednesday, 16 June 2010.

Given the exercise price of your options, the Company suggests that you seek financial advice before exercising any of your options.

If you wish to discuss any of the above matters, please contact me.

Yours faithfully,



Roland Stampalia

Company Secretary

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