

29 April 2011

Dear Shareholder

On 14 September 2009 Norwood Abbey Limited (**Company**) announced that it had agreed to acquire Sino-Excel Energy Pte Ltd (**Sino-Excel**), a Singaporean company which, through Henan DeBang Resources Development Co. Ltd (**DeBang**), a wholly-owned People's Republic of China (**PRC**) company, has entered into an Exclusive Technical Consultation and Services Agreement (**Technical Services Agreement**) in relation to the established coal trading business operated by Century Golden Eagle Energy Holdings Co Ltd (**Golden Eagle**) in the People's Republic of China (**PRC**) (**Sino-Excel Acquisition**).

Sino-Excel also intends to examine appropriate opportunities to acquire other coal trading businesses and coal mining concessions in the PRC over time. Coal trading opportunities are expected to be progressed only if a coal trading licence is in place in DeBang.

The Company is also undertaking a public share offer at 51 cents (post the proposed 30:1 share consolidation) per Share to raise a minimum of \$2.5 million and up to \$7.5 million (**Capital Raising**). The primary purpose of the Capital Raising is to raise working capital for the Company going forward and to demonstrate sufficient spread requirements to enable the Company to apply for re-quotations of its securities on ASX following completion of the Sino-Excel Acquisition. The Capital Raising will not proceed if the Sino-Excel Acquisition does not proceed (and vice versa). Similarly, the Capital Raising will not proceed if the Company is for any reason unable to obtain re-quotations of its Shares on ASX. In addition, certain creditors of the Company have agreed to acquire securities in satisfaction of amounts owing to them by the Company or its related bodies corporate.

A Meeting of Shareholders has been called for 2:30 p.m. (Perth time) on 31 May 2011 to approve the Sino-Excel Acquisition and other related resolutions. In addition, the Meeting will address the required business for the 2009 and 2010 annual general meetings. The meeting will be held at Minter Ellison, Level 49, Central Park, 152-158 St George's Terrace, Perth, Western Australia 6000.

Enclosed with this letter is:

- (a) a Notice of Meeting and an accompanying Explanatory Statement relating to the Sino-Excel Acquisition and related matters;
- (b) an Independent Expert's Report by Grant Thornton Corporate Finance Pty Ltd on the fairness and reasonableness of the Sino-Excel Acquisition; and
- (c) Annual Reports for the Company for the years ended 30 June 2009 and 30 June 2010.

In relation to the Capital Raising, copies of the Prospectus can be downloaded (with application form) on [www.norwoodabbey.com.au](http://www.norwoodabbey.com.au). Paper copies of the prospectus (with application form) are available on request from the Company by contacting Computershare Investor Services Pty Ltd on +61 3 9415 5000.

The Directors are pleased to be in a position to present this opportunity to the Shareholders and unanimously recommend the proposed transaction and encourage eligible Shareholders to vote in favour of all resolutions set out in the accompanying Notice of Meeting.

You are urged to consider carefully the Notice of Meeting and the accompanying Explanatory Statement before determining how you wish to vote on the resolutions before you.

If you cannot attend the Meeting, please complete the proxy form and return it (see the proxy form for details) as soon as possible and in any event by no later than 2:30 p.m. (Perth time) on 29 May 2011.

Yours sincerely

A handwritten signature in black ink, appearing to read "Chan Kum Ee", with a horizontal line underneath.

**Spencer Chan Kum Ee**  
**Chairman**