



Carbon Polymers Limited  
150-166 Woodpark Road  
Smithfield NSW 2164 Australia

Tel: +61 2 9756 0960  
Fax: +61 2 9756 2381  
ABN: 42 000 764 572

9 May 2012

Dear Option Holder,

### **PARTICIPATION IN NON-RENOUCEABLE RIGHTS ISSUE**

As announced to the ASX on 8 May 2012, Carbon Polymers Limited advises that it intends to conduct a pro rata non-renounceable rights issue (Rights Issue) to eligible shareholders on the basis of 3 new Carbon Polymers ordinary shares for every 5 Carbon Polymers ordinary shares held as at 5:00pm (Sydney time) on 16 May 2012 (Record Date) at an offer price of \$0.04 per new share.

The terms and conditions of the options you currently hold do not entitle you to participate in the Rights Issue unless you exercise some or all of your options into shares and are entered onto Carbon Polymers' share register before the Record Date. The purpose of this letter is to give you notice of the Rights Issue before the Record Date to allow you to exercise your options should you wish to participate in the Rights Issue.

If you wish to participate in the Rights Issue (in respect of shares that would be issued to you on exercise of any of your options), then your notice of exercise together with a cheque for the relevant exercise price must be received by Computershare no later than 5:00pm (Sydney time) on Tuesday 15 May 2012 in order to ensure that your shares are allotted prior to the Record Date. Please contact the financial controller of Carbon Polymers if you wish to exercise your options. Any shares to be issued under a notice of exercise received after this date cannot be assured of being allotted before the Record Date.

If you do not wish to participate in the Rights Issue (in respect of your options), you do not need to take any action.

This letter is not an offer or an invitation to acquire shares in Carbon Polymers or to participate in the Rights Issue. If you are in doubt as to the action you should take in relation to this notice, you should consult your professional advisers.

Details of the Rights Issue are contained in an offer booklet lodged with the ASX today.

If you have any questions, please contact the company financial controller on +61 2 9756 0960.

Yours faithfully

Andrew Howard  
Chairman & CEO