

23 December 2016

Non-Renounceable Rights Issue – Appendix 3B Notice

Dear Shareholder

Letter to Shareholder - Non-Renounceable Rights Issue Pro Rata Entitlement Offer

On 22 December 2016, iSentric Limited (ASX:ICU) (“**the Company**”) announced to ASX that it intended to undertake a pro rata, non-renounceable rights issue of one (1) New Share at an issue price of 6 cents (\$0.06) for every four (4) Shares held at the Record Date and subscribed for and one (1) free attaching option having an exercise price of 9 cents (\$0.09) and expiry date of 31 January 2018 (“New Option”) for every one (1) New Share purchased (“the Offer” or “the Rights Issue”) (“**the Offer**” or “**Rights Issue**”).

The Rights Issue also incorporates a Shortfall Facility under which Eligible Shareholders can apply for New Shares in excess of their pro-rata entitlement. The issue of the New Shares under the Shortfall Facility will be dependent on there being a shortfall in the take up of the pro-rata entitlements under the Offer and subject to discretion of the Board. Eligible Shareholders who wish to apply for New Shares under the Shortfall Facility can do so by specifying the number of additional New Shares they wish to apply for in the space provided on their Entitlement and Acceptance Form.

The Company intends to raise up to approximately \$2,035,556 before costs, through the issue of up to 33,925,926 New Shares at an issue price of 6 cents (\$0.06) per New Share. The main purpose of the Rights Issue is to provide funds to:

- (a) fund the work that the Company is undertaking with Touch ‘n Go Malaysia, in developing a mobile payments platform;
- (b) fund the development of the Company’s mobile payment technology in conjunction with its financial and telecommunications partners; and
- (c) provide working capital to the Company.

The Offer is not underwritten. As the Offer is non-renounceable, entitlements under the Offer cannot be sold, traded on the ASX or on any other exchange, nor can they be privately transferred.

The Offer is made to Eligible Shareholders being shareholders of the Company registered on the Company's share register as at 5.00pm AEDT the Record Date (29 December 2016) and residing in Australia and New Zealand. Please note that the Company's shares will be traded on an "ex" entitlement basis from 28 December 2016, and therefore any of the Company's shares acquired on market on and after this date will not be entitled to participate in the Rights Issue.

The Offer is made pursuant to a prospectus issued in accordance with section 713 of the Corporations Act ("**the Prospectus**") available at www.asx.com.au and www.isentric.com. The Prospectus contains further details of the Offer and should be read in its entirety. Documents relating to the Offer were lodged with ASX and ASIC on 22 December 2016.

A copy of the Prospectus and personalised Entitlement and Acceptance Form (which will set out your entitlement) will be despatched to Eligible Shareholders in accordance with the timetable below:

EVENT	DATE
Offer announced and Appendix 3B lodged with ASX and Prospectus lodged with ASIC. Notice of Offer sent to Optionholders.	22 December 2016
Notice of Offer sent to Eligible and Ineligible Shareholders	23 December 2016
Shares quoted ex Rights	28 December 2016
Record Date (5.00pm AEDT)	29 December 2016
Prospectus and Entitlement and Acceptance Form dispatched to Shareholders	4 January 2017
Closing Date	25 January 2017
New Shares quoted on a deferred settlement basis.	27 January 2017
Notification to ASX of Shortfall Offer	31 January
Issue date for New Shares and New Options (including Shortfall Offer) Deferred settlement trading ends	2 February 2017
Commencement of trading of New Shares (Normal trading of Shares resumes)*	3 February 2017

**Trading of New Options is subject to them being granted official quotation.*

Dates and times in this announcement are indicative only and subject to change. All dates and times are references to Australian Eastern Daylight Time. The Company reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules and other applicable laws and regulations.

Actions required by Eligible Shareholder

As an Eligible Shareholder, you may:

- (a) take up your entitlement in full;
- (b) take up your entitlement in full and apply for shortfall securities;
- (c) take up part of your entitlement; or
- (d) do nothing and allow your entitlement to lapse.

Further details on how to perform any of the above actions are specified in Section 8 of the Prospectus.

Enquiries

If you have any questions regarding this Offer, please telephone the iSentric Shareholder Enquiry's Line on 1300 420 545 or between 9:00am and 5:00pm (AEDT) on business days during the offer period for the Offer.

Thank you for your ongoing support of the Company.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lim Keong Yew', with a long horizontal flourish extending to the right.

Lim Keong Yew

Chairman