

18 November 2011

Manager of Company Announcements
ASX Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

By E-Lodgement

Entitlement Issue – Letter to Shareholders

Stratatel Limited advises that the attached letter relating to the Company's non-renounceable entitlement issue has been dispatched to Shareholders today.

Yours sincerely



Sarah Smith
Company Secretary

<Shareholder>
<Address 1>
<Address 2>
<Address 3>
<Address 4>

18 November 2011

Dear Shareholder

Entitlement Issue – Share Holders

On 16 November Stratatel Limited (**Stratatel**) or (**the Company**) lodged an Offer Document for a pro rata non-renounceable entitlement issue to eligible shareholders of 1 New Share for every 3 Shares held at the record date at an issue price of \$0.025 per New Share, to raise approximately \$1.19 million before costs (**Entitlement Issue**). The Entitlement Issue is fully underwritten by Patersons Securities.

All Shareholders whose registered address is in Australia or New Zealand and are registered at **close of business on 25 November (Record Date)** will be entitled to participate in the non-renounceable entitlements issue of New Shares on the basis of 1 New Share for every 3 Shares then held. Shareholders whose registered address is outside of Australia or New Zealand are not entitled to participate in the offer.

The Company's Shares will commence trading 'Ex' Entitlement on 21 November 2011. Generally Shares purchased on market in the period from 21 November 2011 ('Ex' date) to 25 November 2011 (Record date) are **NOT** entitled to participate in the Entitlement Issue. If you have any doubt, please consult your stock broker.

The New Shares will be issued at a cost of \$0.025 per New Share. The latest trading price on ASX of the ordinary fully paid shares prior to the date of this letter was \$0.030.

Full details of the Entitlement Issue are contained **in the Offer Document dated 16 November 2011, which was lodged with ASX Limited on 16 November 2011**. The Offer Document is available on ASX's website and the Company's website at www.stratatel.com.au.

The Offer Document together with an Acceptance Form will be mailed to all eligible shareholders on or about 28 November 2011. Other key dates which shareholders should note are as follows:

Ordinary Shares trade Ex-Entitlements on ASX	21 November 2011
Record Date for determining Entitlements	25 November 2011
Closing date for acceptances	5pm (WST) 12 December 2011
Expected date for allotment of New Shares	20 December 2011

The above dates are indicative only. The Company reserves the right to vary the above dates subject to the ASX Listing Rules and the Corporations Act.

Application for New Shares under the Entitlements Issue may only be made by completing the Acceptance Form which accompanies the Offer Document. Shareholders eligible to participate in the Entitlements Issue should read the Offer Document carefully. For further information on the Stratatel Entitlements Issue you should contact your professional advisor.

Yours faithfully



Ian Macliver
Chairman
Stratatel Limited