



12 November 2012

Dear Foreign Shareholder

Non-Renounceable Rights Issue – Information for Foreign Shareholders

On 9 November 2012, Sun Biomedical Limited (the Company) announced to ASX that it was to undertake a non-renounceable Rights Issue of New Ordinary Shares to Eligible Shareholders.

Non-Renounceable Rights Issue

It is proposed that the Company issue approximately 165,570,004 New Ordinary Shares at a price of \$0.007 per New Ordinary Share on the basis to acquire one New Ordinary Share for every one Share held at the Record Date of 19 November 2012. This Offer is fully underwritten by CPS Securities¹ (*the Underwriter*). The funds raised will be used as working capital and to identify and assess potential growth opportunities.

Foreign Shareholders

The Company has determined that it is unreasonable to make offers of New Shares to Shareholders with registered addresses outside Australia or New Zealand (*Foreign Shareholders*). This decision was made having regard to the number of Foreign Shareholders, the number and value of New Shares those Foreign Shareholders would have been offered and the cost of and time involved in complying with the legal and regulatory requirements of the jurisdictions in which the Foreign Shareholders are domiciled.

As the offer is a non-renounceable offer, the Company will not be appointing a nominee for the sale of the entitlements on behalf of Foreign Shareholders. Accordingly, this Offer Document is sent to Foreign Shareholders for information purposes only. As your registered address is not in Australia or New Zealand, you will not be entitled to apply for New Shares under the Rights Issue.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Terry Cuthbertson', written over a horizontal line.

Terry Cuthbertson
Chairman

¹ Cunningham Peterson Sharbanee Securities Pty Ltd

Sun Biomedical Limited Non-Renounceable Rights Issue - Information sheet

Below is the summary of the Rights Issue which has been provided to Eligible Shareholders. As you are not an Eligible Shareholder and may therefore not apply for New Shares under the Rights Issue, this information is provided to you for informational purposes only.

Is security holder approval required?	No.
Is the issue renounceable or non-renounceable?	Non-Renounceable.
Ratio in which the +securities will be offered	1 New Ordinary Share for every 1 Share held at 7.00pm AEDT time on the Record Date.
+Class of +securities issued or to be issued	Ordinary Shares.
Number of +securities issued or to be issued (if known) or maximum number which may be issued	165,570,004 Ordinary Shares.
Do the +securities rank equally in all respects from the date of allotment with an existing class of securities	Yes.
+Record date to determine entitlements	7.00pm AEDT time on 19 November 2012.
Policy for deciding entitlements in relation to fractions	N/A
Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	British Virgin Islands Canada Hong Kong Mauritius Netherlands Singapore South Africa Switzerland Ukraine United Arab Emirates United Kingdom United States of America
Closing date for receipt of acceptances or renunciations	5.00pm AEDT time on 7 December 2012
Name of any underwriters	Cunningham Peterson Sharbanee Securities Pty Ltd
Amount of any underwriting fee or commission	The Company is to pay the Underwriter a management fee of \$50,000 (ex GST), a commission of 6.0% (ex GST) of the amount raised under the Rights Issue, and, subject to the Listing Rules, intends to issue 17,857,143 options for ordinary shares exercisable before 31 December 2017 at \$0.007.
Names of any brokers to the issue	Not applicable.
Fee or commission payable to the broker to the issue	Not applicable.
Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable.
Date entitlement and acceptance form and Offer Document will be sent to persons entitled	23 November 2012
If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
Despatch date	17 December 2012