



10 April 2012

Dear Shareholder

Notice to Shareholders of Rights Issue

We write to you as the registered holder of Vmoto Limited ("Vmoto") shares as at today's date. As announced on 5 April 2012, the directors of Vmoto Limited have resolved to undertake a pro-rata non-renounceable rights issue of up to approximately 317,669,332 new shares on the basis of one new share for every two Vmoto shares held by shareholders at the record date of 26 April 2012 ("Record Date") at an issue price of \$0.012 per share ("New Shares") and a free attaching new option (with an exercise price of \$0.04 and an expiry date of 31 December 2014) for every one new share issued ("New Options") for the purpose of raising up to approximately \$3,812,032 ("Offer").

The Offer is available to Vmoto shareholders registered on the Record Date and who reside in Australia or New Zealand.

The Offer is being made pursuant to a prospectus which was lodged with the Australian Securities and Investments Commission ("ASIC") on 5 April 2012 ("Prospectus"). The Prospectus is available at the Company's website: www.vmoto.com.au or on the ASX website (company announcements section, ASX code: VMT) at www.asx.com.au.

Pursuant to the Listing Rules of the ASX ("Listing Rules"), the Company is required to provide to you certain information before proceeding with the Rights Issue. This letter contains all the information required by Appendix 3B of the Listing Rules.

1. Up to approximately 317,669,332 New Shares and 317,669,332 New Options will be issued pursuant to the Rights Issue (assuming no existing options are exercised).
2. The New Shares to be issued will rank equally in all respects from the date of allotment with the existing quoted ordinary shares.
3. The New Options to be issued are a new class of options. The main terms of the New Options are as follows:
 - (a) each New Option gives the optionholder the right to subscribe for one ordinary share;
 - (b) each New Option is exercisable at \$0.04;
 - (c) the New Options will expire at 5.00 pm AWST on 31 December 2014;
 - (d) the Company will apply for quotation of the New Options on ASX;
 - (e) all ordinary shares allotted upon the exercise of New Options will upon allotment rank pari passu in all respects with other ordinary Shares; and
 - (f) the Company will apply for quotation of all ordinary shares allotted pursuant to the exercise of New Options on ASX within 10 Business Days after the date of allotment of those shares.

Full terms of the New Options are set out at section 4.5 of the Prospectus.



ASX CODE: VMT

A B N 3 6 0 9 8 4 5 5 4 6 0

Ground Floor
3 Richardson Street
WEST PERTH WA 6005

Telephone: (61-8) 9221 6175
Facsimile: (61-8) 9486 1258

www.vmoto.com

3. The issue price of the New Shares will be \$0.012 each. The New Options are free attaching options and accordingly will be granted for no consideration.
4. The Company will apply for quotation of the New Shares and New Options issued pursuant to the Rights Issue on the official list of the ASX.
5. The New Shares will be fully paid ordinary shares in the capital of the Company. The New Options are exercisable at \$0.04 each and expire on 31 December 2014.
6. The funds raised by the Rights Issue will be used towards:
 - (a) expansion of Vmoto's product range;
 - (b) improving quality control;
 - (c) marketing and after sales services;
 - (d) Stage 2 manufacturing facility (Nanjing)
 - (e) electrical fixed assets;
 - (f) costs of the Rights Issue; and
 - (g) general working capital.
7. The securities will be entered into uncertificated holdings on 22 May 2012.
8. The total number and class of all securities quoted on ASX (including the maximum number of New Shares to be issued in the Rights Issue but assuming no existing options are exercised prior to the Record Date) is as follows:

Number	Class
953,007,997	Fully paid ordinary shares
317,669,332	Quoted options exercisable at \$0.04 each on or before 31 December 2014
2,000,000	Unquoted class B options exercisable at \$0.15 each on or before 30 June 2012
9,000,000	Unquoted class C options exercisable at \$0.20 each on or before 30 September 2012
3,241,527	Unquoted class D options exercisable at \$0.09 each on or before 14 July 2013
2,000,000	Unquoted class E options exercisable at \$0.10 each on or before 3 July 2012
8,500,000	Unquoted ESOP options exercisable at \$0.025 on or before 1 September 2014

9. The Company currently has no dividend policy. However, pursuant to the Constitution of the Company, the Directors may from time to time declare a dividend to be paid to the members entitled to the dividend. No dividend may be paid except out of profits.
10. No shareholder approval for the Rights Issue is required.
11. The Rights Issue is non-renounceable.
12. The New Shares in the Rights Issue will be offered on the basis of one New Share for every two ordinary shares held at 5pm AWST on the Record Date (ie 26 April 2012). New Options will be offered on the basis of one New Option for every New Share issued.
13. The offer under the Rights Issue relates to fully paid ordinary shares in the Company and options to acquire shares in the Company exercisable at \$0.04 each and expiring on 31 December 2012.
14. The ex date is 19 April 2012.
15. The Company does not have multiple share registers.
16. Fractional entitlements will be rounded down to the nearest whole number.
17. The Company will be sending offers under the Rights Issue to all Company shareholders in Australia and New Zealand.
18. The closing date for receipt of acceptances is 5pm AWST on 14 May 2012.
19. The Rights Issue is not underwritten.
20. There is no lead manager to the Rights Issue.
21. The Company reserves the right to pay any broker a fee of up to 5% of the funds raised under the Rights Issue (including the shortfall) on any application bearing its stamp which is accepted by the Company.
22. The Prospectus for the Rights Issue and the accompanying Entitlement and Acceptance Form will be sent to you on 30 April 2012.

23. Existing optionholders may participate in the Rights Issue upon exercise of their options. The Company sent a notice to option holders to notify them of their right to participate in the Rights Issue upon exercise of their options on 5 April 2012.
24. If you wish to take up all of your Entitlement under the Rights Issue, please pay the amount indicated on your Entitlement and Acceptance Form via BPAY or complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque for the amount indicated on your Entitlement and Acceptance Form.
25. If you wish to take up part of your entitlement please pay a lesser amount than indicated on your Entitlement and Acceptance Form via BPAY or fill in the number of Securities you wish to accept in the space provided on the Entitlement and Acceptance Form and attach your cheque for the appropriate application monies.
26. If you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.
27. If you subscribe for your Entitlement in full and wish to apply for additional New Shares and New Options, please complete the relevant section of the Entitlement and Acceptance Form and pay the additional applicable amount. It is at the Company's discretion as to whether to issue any additional New Shares and New Options applied for and there is no guarantee that any additional New Shares and New Options will be issued.
27. You must deal with your entitlement by 5.00pm AWST on 14 May 2012 (ie the closing date).
28. The latest date for entry of the securities into your security holdings is 22 May 2012.

The above information was provided to the ASX on 5 April 2012.

Key Dates:

The current proposed timetable for the Offer is as follows*:

Event	Date
Announcement of Offer	5 April 2012
Lodgement of Prospectus with the ASIC	5 April 2012
Notice to Shareholders	10 April 2012
Ex-Date	19 April 2012
Record Date for determining Shareholder entitlements	26 April 2012
Opening Date and despatch of Prospectus to Shareholders	30 April 2012
Closing Date of Offer	14 May 2012
New Shares and New Options quoted on a deferred settlement basis	15 May 2012
Allotment and despatch of holding statements	22 May 2012

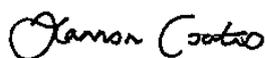
* Dates subject to change and indicative only. The Company reserves the right to amend this timetable, including, subject to the Corporations Act 2001 (Cth) and the Listing Rules of ASX, to extend the Closing Date.

A copy of the Prospectus will be sent to you on 30 April 2012 if you are a shareholder at the Record Date. If you are eligible and wish to participate in the Offer, it will be necessary for you to complete an Entitlement and Acceptance form, which will accompany your Prospectus, and return it with the appropriate application monies, to the Company before the Closing Date.

The Directors of Vmoto recommend that if you are in doubt as to the value of the Offer then you should contact your financial adviser.

If you have any queries in relation to the Offer, please do not hesitate to contact Shannon Coates, the Company Secretary on (08) 9221 6175.

Yours faithfully



Shannon Coates
Company Secretary