

31 January 2012



Dear CCQ Shareholder,

Important Implications for Shareholders in Contango Capital Partners Limited ("CCQ")

The Contango MicroCap Limited (CTN) takeover offer for your CCQ shares WILL CLOSE on 20 February 2012. The offer WILL NOT be extended. CTN will NOT increase its offer in this period.

CTN now holds 73.5% of CCQ's voting shares and intends to use its position of control to undertake a number of initiatives that will have important implications for remaining CCQ shareholders.

As set out in the Target Statement, CCQ's independent directors recommended acceptance of the CTN offer in the absence of a superior bid. No other bids have emerged.

Background information on the bid and an outline of some key initiatives that CTN has foreshadowed are set out on the next page.

Shareholders are urged to read this information and to seek independent advice regarding the acceptance of the Offer before it closes on 20 February 2012.

Until recently, CTN was an on-market purchaser at \$0.90 of CCQ shares through the ASX. CTN will again buy on-market at the offer price of \$0.90 until the closing date of the offer. However, at the conclusion of the bid, CTN will no longer be permitted to stand in the market as a buyer of CCQ. As happened recently, it is likely that lack of market support after the 20th February will lead to lower prices on offer for your shares.

Additionally, under the applicable takeover legislation CTN will be unable to acquire any further shares in CCQ for a six month period – regardless of whether CCQ remains listed or not.

There are two ways for you to accept CTN's offer:

1. Enclosed with this letter is a customised acceptance form as well as a reply paid envelope for your convenience. To accept the offer, you should complete this form and return it to Computershare as soon as possible. Shareholders accepting the offer through submission of the acceptance form should receive their proceeds on, or around, 28 February 2012.
2. Alternatively, if you have a stock broker, you can sell your shares in the market at the prevailing market price (less any brokerage you may incur).

The independent directors of CTN strongly urge you to accept the offer.

Signed,

Mark Kerr & Ian Ferres (Independent Takeover Committee of CTN)

All questions regarding the takeover offer are to be directed to Public Relations Exchange.

Email : investor@prx.com.au

Phone: 03 9607 4500

Background

On 19 September 2011, Contango MicroCap Limited (CTN) announced that it was intending to make a take-over offer for Contango Capital Partners Limited (CCQ).

The offer of \$0.90 cash for each CCQ share was subsequently announced, and since then you should have received the CTN Bidder Statement (around 21 October 2011), and the CCQ Target Statement (around 31 October 2011).

The Target Statement issued by the independent directors of CCQ recommended acceptance of the offer in the absence of any superior offer.

On 31 October 2011, CTN removed the conditions it had imposed on the bid. By 16 November 2011 CTN had acquired the requisite number of shares to give it a controlling interest (50.3%) in CCQ.

The original offer was scheduled for close on 21 November 2011. CTN has since extended the bid a number of times, and the bid now remains open until 20 February 2012.

At the date of this letter, CTN owns 73.5% of CCQ's voting capital. There are only 248 CCQ shareholders remaining on the register, with nearly 900 of 1,140 shareholders having already accepted the CTN offer.

Possible Initiatives and Implications to the Remaining CCQ Shareholders

CCQ shareholders should be aware that CTN does not intend to extend the offer beyond 20 February 2012, and when the bid does close, it will use its position of control to undertake the initiatives that it outlined in Section 4 of its Bidder Statement. Some of these, and the consequences of them, are summarised below:

- Review the CCQ Board composition – CTN will seek to have the CTN Board members who do not currently sit on the CCQ Board join that Board.
- Consider whether it is appropriate for CCQ to maintain its listing on ASX. CCQ currently has two large shareholders (CTN and another) who between them own in excess of 90% of the remaining CCQ shares. There are 246 other smaller shareholders.
- Given the small number of shareholders that remain and the compliance costs of remaining listed, it is likely that CCQ will be removed from the Australian Securities Exchange (ASX) list - either compulsorily or voluntarily.

If de-listed, CCQ shareholders will no longer be able to trade their shares on the ASX.

- Conduct a review of the scope of the operations of CCQ. This could see a number of initiatives entered into, including:
 - Revoking or changing the existing dividend policy
 - Reviewing the investment strategy to ensure alignment with CTN's goals
 - Seeking additional capital from either existing shareholders or external parties to expand the activities of the Company
 - Disposal of existing assets to enhance future operations.