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ISSUE OF SHARES UNDER PLACEMENT AND INSTITUTIONAL ENTITLEMENT OFFER

Perth, Australia – 29 May 2012: Matrix Composites & Engineering Limited (“**Matrix**” or the “**Company**”) advises that 15,605,348 fully paid ordinary shares in the capital of the Company will be issued on 29 May 2012 pursuant to the institutional component of the placement and accelerated non-renounceable entitlement offer described in the ASX Announcement and Investor Presentation lodged with ASX on 23 May 2012 (“**Institutional Entitlement Offer**”).

Following the issue of the Institutional Shares, the Company’s issued share capital will consist of 92,686,855 fully paid ordinary shares.

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This letter does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been, and will not be, registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold to persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

IMPORTANT NOTICE TO NOMINEES: Because of legal restrictions, you must not send copies of this letter or any material relating to the Entitlement Offer to any of your clients (or any other person) in the United States and on whose behalf you are the registered owner of shares. Failure to comply with these restrictions may result in violations of applicable securities laws.

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