

4 May 2009

Dear Shareholder

Offer to Participate in the Dyesol Limited Share Purchase Plan

Following the successful capital raising of A\$7 million through an excluded offer to existing and new institutional investors, the Directors are pleased to offer eligible shareholders the opportunity to subscribe for ordinary shares in Dyesol Limited ("**Dyesol**") under its Share Purchase Plan ("**SPP Offer**"). The SPP Offer will enable shareholders of the Company to purchase shares in Dyesol without brokerage costs and at the same issue price as the excluded offer. This is an initiative by Directors to ensure retail investors enjoy the same access to new issued capital as institutions and sophisticated investors.

The formal details of the Plan are set out in the attached Terms of the Dyesol Limited Share Purchase Plan, and I encourage you to read it in its entirety before you decide whether to participate. An application form is also attached should you wish to apply for shares under the Plan pursuant to this Offer.

It is proposed to raise a total of A\$3 million through the SPP Offer, although the Directors have the absolute discretion to accept an increased amount or to scale back oversubscriptions on a pro rata basis.

The right to participate in this Offer is available exclusively to persons who were registered as holders of fully paid ordinary shares in Dyesol at 5pm (WST) on the **Record Date of 30 April 2009** and whose registered address was in Australia or New Zealand. The Offer is non-renounceable and the right to apply for shares cannot be sold or otherwise disposed of.

The purchase price of the new shares to be issued under the Plan has been set at A\$0.90 each, the same price as the recently completed share placement and represents a **16% discount** to the average market price of the Company's shares over the last 5 days on which sales in the shares were recorded immediately prior to 30 April 2009 (being the date on which the Offer was announced).

Additional information and key dates

If you would like to participate in the Offer, please return your completed application form for the number of shares you wish to acquire, and utilise one of the payment options detailed on the form, **on or before the closing date of 19 May 2009**.

Please note that the maximum investment per shareholder is **A\$4,950**. The following table sets out the alternative amounts investors can apply for under this Offer:

Investment Amount	No. of shares @ A\$0.90	
A\$4,950	5,500	Maximum amount
A\$2,475	2,750	Minimum amount

Key Dates for the SPP Offer

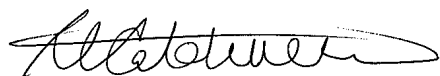
Date	Event	Details
30 April 2009	Record Date	The date determining shareholders eligible to participate in the SPP Offer
5 May 2009	Opening Date	The date the SPP Offer opens for subscriptions
19 May 2009	Closing Date	The date that SPP Offer subscriptions close (all applications must be received by Dyesol's share registrar by 5:00p.m. Perth time)
26 May 2009	Issue Date	The date shares subscribed under the SPP Offer will be issued by Dyesol
29 May 2009	Anticipated Quotation Date	The date that shares issued under the SPP Offer are expected to commence quotation on ASX

The Offer under the Plan is limited to 30% of the ordinary shares already on issue. Shareholder approval is not required to issue shares under the Plan.

It is expected that Shares allotted under the Plan will be issued no later than 26 May 2009.

If you have any questions on the Offer, please contact the Company Secretary, Mr Kim Hogg, on (08) 6389 2688 during normal business hours.

Yours sincerely



Richard Caldwell
 Chairman



Dyesol Limited

ABN 92 111 723 883

Computershare

Please return completed form to:
Computershare Investor Services Pty Limited
Locked Bag 2508 Perth
Western Australia 6001 Australia
Enquiries (within Australia) 1300 557 010
(outside Australia) 61 3 9415 4000
web.queries@computershare.com.au
www.computershare.com

Securityholder Reference Number (SRN)

000001

000

SAM

MR JOHN SAMPLE

FLAT 123

SAMPLE STREET

SAMPLE STREET

SAMPLE STREET

SAMPLETOWN VIC 3030



I 1234567890

I N D

For your security keep your SRN/HIN confidential.

Entitlement Number:

Record Date: 30 April 2009

Offer Closes: 5.00pm WST 19 May 2009

Price per Security: A\$0.90

SHARE PURCHASE PLAN APPLICATION FORM

This personalised form can only be used in relation to the securityholding represented by the SRN or HIN printed above. This is an important document and requires your immediate attention. If you are in doubt about how to deal with this document, please consult your financial or other professional adviser.

Pursuant to the terms and conditions of the Dyesol Limited Share Purchase Plan (SPP) contained in the letter to Dyesol Limited securityholders dated 4 May 2009, Dyesol Limited is offering eligible securityholders the opportunity to purchase Shares up to a maximum value of A\$4,950.00 per eligible securityholder, subject to a minimum application of \$2,475.00.

If you do not wish to purchase additional shares under this offer there is no need to take action.

By making your payment, you agree to be bound by the Constitution of Dyesol Limited and agree that the submission of this payment constitutes an irrevocable offer to you by Dyesol Limited to subscribe for Dyesol Limited Shares on the terms of the SPP. In addition, by submitting the slip below you certify that the aggregate of the application price paid by you for:

- the Shares the subject of the slip below; and
- any other shares and interests in the class applied for by you under the Share Purchase Plan or any similar arrangement in the 12 months prior to the date of submission of the slip below, does not exceed \$5,000.00.

METHOD OF ACCEPTANCE

You can apply for shares and make your payment utilising one of the payment options detailed overleaf.

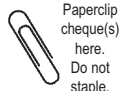
Dyesol Limited may make determinations in any manner it thinks fit, in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant or application. Any determinations by Dyesol Limited will be conclusive and binding on all eligible securityholders and other persons to whom the determination relates. Dyesol Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all eligible securityholders even where Dyesol Limited does not notify you of that event.

D Y E

S P R B



▼ PLEASE DETACH HERE ▼



Paperclip
cheque(s)
here.
Do not
staple.



Dyesol Limited

ABN 92 111 723 883

Please see overleaf for Payment Options



Billers Code: 123456

Ref No: 123412341234123412

I/We wish to purchase:



5,500

shares or

A\$4,950

or



2,750

shares or

A\$2,475

* These share amounts may be subject to scale-back in accordance with the terms of the SPP.

Payment Details – Please note that funds are unable to be directly debited from your bank account

Drawer

Cheque number

BSB number

Account number

Cheque amount

Make your cheque or bank draft payable to Dyesol Limited - Capital Raising A/C

Contact Details

Please provide your contact details in case we need to speak to you about this slip

Name of contact person

Contact person's daytime telephone number

1234567890123456+1234567890-1234+12

057043_00UC6B

How to accept the Share Purchase Plan

Payment Details

You can apply for shares by utilising the payment options detailed below. There is no requirement to return the slip below if you are paying by electronic means.

By making your payment using either electronic means or by cheque, bank draft or money order, you confirm that you:

- agree to all of the terms and conditions of the Share Purchase Plan as enclosed with this Application Form;

Your cheque, bank draft or money order payable to Dyesol Limited - Capital Raising A/C in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian branch of a financial institution. Please ensure you submit the correct amount. Incorrect payments may result in your application being rejected. Complete cheque details in the boxes provided. **Please note that funds are unable to be directly debited from your bank account.**

If paying by cheque, return the slip below and Cheque, Bank Draft or money order in the envelope provided.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the slip below where indicated. Cash will not be accepted. A receipt for payment will not be forwarded.

Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding the slip below.

Lodgement of Application

If you are applying for shares and your payment is being made by BPAY®, you do not need to return the slip below. Your payment must be received by no later than 4.00pm (WST) on 19 May 2009. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order, the slip below must be received by Computershare Investor Services Pty Limited (CIS) Perth by no later than 5.00pm (WST) on 19 May 2009. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for securityholders in Australia. New Zealand holders will need to affix the appropriate postage. Return the slip below with cheque, bank draft or money order attached.

Neither CIS nor the Company accepts any responsibility if you lodge the slip below at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you have any enquiries concerning this form or your entitlement, please contact CIS on 1300 557 010.

This form may not be used to notify your change of address. For information, please contact CIS on 1300 557 010 or visit www.computershare.com (certificated/ issuer sponsored holders only).

CHESS holders must contact their Controlling Participant to notify a change of address

Payment Options:



Bill Code: 123456
Ref No: 123412341234123412

Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info:
www.bpay.com.au



By Mail
Dyesol Limited
Computershare Investor
Services Pty Limited
Locked Bag 2508 Perth
Western Australia 6001
AUSTRALIA



Entitlement Number: <xxxxxxxxxx>

SAMPLE CUSTOMER
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLETOWN TAS 7000

DYESOL

DYESOL

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**TERMS OF THE DYESOL LIMITED
SHARE PURCHASE PLAN**

TERMS OF THE DYESOL LIMITED

SHARE PURCHASE PLAN

1 DEFINITIONS

In this Plan, unless the context otherwise indicates:

ASX means ASX Limited;

Board means the board of directors of the Company;

Closing Date means the date determined by the Board to be the closing date of an Offer;

Company means Dyesol Limited ACN 111 723 883;

Eligible Members means members of the Company eligible to participate in an Offer as determined under clause 2;

Offer means a non-renounceable offer of Shares to Eligible Members made under the Plan from time to time;

Plan means the Dyesol Limited Share Purchase Plan approved by the Board from time to time;

Purchase Price means the subscription price for each Share determined in accordance with clause 3 and specified in each Offer;

Record Date means the date specified as such in an Offer;

Shares means fully paid ordinary shares in the Company; and

Terms means these terms of the Plan.

2 ELIGIBILITY TO PARTICIPATE

2.1 The members of the Company who will be eligible to apply for Shares under an Offer (the "**Eligible Members**") are those who:

- are recorded in the Company's register of members at 5pm on the relevant Record Date for that Offer; and
- have an address (as recorded in the Company's register of members) in a jurisdiction in which it is lawful and practical for the Company to offer and issue Shares under the Plan (in the reasonable opinion of the Board).

An Offer does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

2.2 In response to an Offer, Eligible Members:

- (a) must apply for a minimum of \$500 worth of Shares (based on the Purchase Price for that Offer) or such other minimum as specified by the Board from time to time in any Offer;
- (b) may only apply for Shares in multiples of \$100 (based on the Purchase Price for that Offer) or such other multiple as specified by the Board from time to time in any Offer; and
- (c) may only apply for such number of Shares that will result in the total Purchase Price for that Offer when aggregated with the total Purchase Price paid in response to all other Offers in the 12 month period prior to the date of that Offer not exceeding \$5,000 worth of Shares (based on the Purchase Price of each relevant Offer). **This limit will apply even if a member receives more than one offer from the Company (for example, because the member is a joint holder of the shares or because the member holds more than one shareholding under separate share accounts).**

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- 2.3 All Offers made under the Plan are non-renounceable. This means the right to purchase Shares under the Offer cannot be transferred to anyone else.
- 2.4 Participation in the Plan by Eligible Members is optional and is subject to these Terms.

3. CALCULATION OF PURCHASE PRICE

- 3.1 The Purchase Price of Shares under an Offer shall be a price per Share being equal to a discount of up to 20% of the average market price (as defined in ASX Listing Rules) of Shares on the ASX over the last 5 days on which sales in the Shares were recorded before:
 - (a) the day the Offer was announced, or
 - (b) the day the Offer was madeas determined by the Board from time to time.
- 3.2 By accepting an Offer and applying for Shares under the Plan, each Eligible Member acknowledges that although the Purchase Price is a discount to the average market price of Shares on ASX during the period described in clause 3.1, Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make an Offer and the date of issue of Shares under that Offer and that the price and/or value of the Shares received under the Plan may rise or fall accordingly. As a result, you should seek your own advice in relation to this Offer and your participation under the Plan.

4. TERMS OF ISSUE OF SHARES

- 4.1 The Board reserves the right to refuse an application (in whole or in part) if it considers that:
 - (a) the applicant is not an Eligible Member;
 - (b) the issue of those Shares would contravene any law or the ASX Listing Rules; or
 - (c) the applicant has not otherwise complied with the terms of the Plan.If an application is refused in whole or in part, the application monies or the surplus application monies (as the case may be) will be refunded in full without interest.
- 4.2 Subject to clause 4.1, Shares will be issued and holding statements dispatched no later than 15 business days after the Closing Date stipulated in respect of an Offer.
- 4.3 From their date of issue, Shares allotted under the Plan will rank equally in all respects with the then existing fully paid ordinary shares in the Company.
- 4.4 The Company will apply for quotation on the ASX of Shares issued under the Plan within 10 days after their date of issue.
- 4.5 No brokerage, commissions, stamp duty or other transaction costs will be payable by Eligible Members in respect of an application for, and an issue of, Shares under the Plan.
- 4.6 The issue of Shares under this Plan over and above 30% of the number of the Company's Shares already on issue is conditional upon ASX granting the Company a waiver from Listing Rules 7.1 and 10.11.

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SHARE PURCHASE PLAN

- 4.7 By completing the application form for Shares under the Plan, **Shareholders must warrant and certify that the aggregate of the application price for Shares the subject of the application and any other shares and interests applied for under a similar arrangement in the 12 months prior to the proposed date for issue of the Shares under the Plan does not exceed \$5,000.** The Company reserves the right to reject any application for Shares where it believes this rule has not been complied with or where an acceptance may breach any law.

5. GENERAL

- 5.1 The Plan will be administered by the Board or a committee of the Board and will have an absolute discretion to:
- (a) determine appropriate procedures for administration of the Plan consistent with these Terms;
 - (b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan or these Terms; and
 - (c) delegate to any one or more persons, for such period and on such conditions as they may determine, the exercise of their powers or discretions under the Plan or these Terms.
- 5.2 The Plan and these Terms may be suspended, terminated or amended at any time by the Board. To purchase Shares under the Plan, please complete and sign the Share Purchase Plan Application Form.
- 5.3 These Terms are governed by and construed in accordance with the laws for the time being in force in the State of Western Australia.
- 5.4 The total number of Shares issued under the Plan must not exceed 30% of the number of Shares on issue as at 5pm WST on the Record Date. Accordingly, if applications are received under the Offer for more than 30% of the number of shares on issue as at the Record Date, the Company will scale back applications on a pro rata basis.
