



19 September 2011

Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Attention: Announcements Office

Dear Sir/Madam,

Re : Notice to shareholders – non marketable parcel share sale facility

Attached please find copies of the documents listed at the end of this notice that were despatched today to those shareholders of Carpentaria Exploration Limited (ASX code: CAP) who were holders of non-marketable parcels as at close of business on Tuesday, 13 September 2011.

- Divestment notice – non-marketable parcels of Carpentaria shares
- Share retention form

Yours sincerely,

Chris Powell
Company Secretary

CONNECT WITH US:



Level 6, 345 Ann St Brisbane Queensland 4000
PO Box 10919, Adelaide Street, Brisbane Queensland 4000
Phone: + 61 7 3220 2022 Fax: + 61 7 3220 1291
info@capex.net.au www.capex.net.au

We find it, We prove it, We make it possible





Date: 19 September 2011

THIS LETTER CONTAINS IMPORTANT INFORMATION ABOUT YOUR SHARES IN CARPENTARIA EXPLORATION LIMITED ("CARPENTARIA"). IF YOU DO NOT RESPOND TO THIS LETTER CARPENTARIA WILL BE ENTITLED TO SELL YOUR SHARES ON YOUR BEHALF.

Dear Shareholder,

Divestment Notice – Non marketable parcels of Carpentaria shares

I am writing to offer all shareholders with a holding of Carpentaria shares valued at less than \$500 (a non marketable parcel) a facility to divest those shares without incurring brokerage costs ("the Facility").

Our records indicate that as at 7.00pm on Tuesday, 13 September 2011, based on the closing price of Carpentaria shares on the Australian Securities Exchange ("ASX") on Tuesday, 13 September 2011, being \$0.255 per share, Carpentaria has 1,183 Shareholders holding non marketable parcels of 1,960 shares or less.

Clause 31 of Carpentaria's constitution permits Carpentaria to divest non marketable parcels and remit the proceeds to the holders of such non marketable parcels. Furthermore, clause 31 of Carpentaria's constitution details the procedure to be followed to conduct the divestment. This clause is in accordance with ASX Listing Rule 15.13.

Rationale for the Divestment Notice

Carpentaria has an abnormally large percentage of shareholders holding non marketable parcels compared to some of its peers. By divesting non marketable parcels, Carpentaria reduces administration and share registry costs such as printing and mailing of notices of meeting, annual reports and other correspondence. Additionally, using the Facility will allow your shares to be sold without you incurring disproportionate brokerage costs relevant to the size of your holding.

Divestment Procedure

In accordance with Carpentaria's constitution, if you do not want Carpentaria to sell your shares under the Facility, you must do one of the following prior to Tuesday, 1 November 2011 ("Specified Date"):

- a) Increase your shareholding to at least a marketable parcel of 1,961 shares by purchasing additional Carpentaria shares and/or consolidating your shareholdings and notifying Carpentaria of the increase, by completing and returning the enclosed share retention form in the manner specified in c) below;
- b) Sell your shares yourself;
- c) Give Carpentaria a written notice that you wish to retain your shares by completing the enclosed share retention form and returning it by post (in reply paid envelope supplied) or hand delivery to our share registrars Link Market Services Limited ("LMS") whose details are on the share retention form.

If none of the above events occur before the Specified Date, Carpentaria will sell your shares on the ASX under this Divestment Notice within a period of fourteen days from the Specified Date i.e. by Tuesday, 15 November 2011.

You should be aware that the price at which your shares are sold under this Divestment Notice will depend on a number of factors (including prevailing market conditions) and you will not have control over the time at which your shares are sold. You should also note that the price at which the shares will be sold under this Divestment Notice is not fixed and is not underwritten. The price you receive for your shares under the Facility may be less than the market price of the Carpentaria shares at any given time, or the price quoted by the ASX on any day, and may not be the best execution price on the trading day or trading days that your shares are sold.

Level 6, 345 Ann St Brisbane Queensland 4000
PO Box 10919, Adelaide Street, Brisbane Queensland 4000
Phone: + 61 7 3220 2022 Fax: + 61 7 3220 1291
info@capex.net.au www.capex.net.au

CONNECT WITH US:



We find it, We prove it, We make it possible





The proceeds to which you are entitled will be remitted to you on Tuesday, 29 November 2011. These proceeds will be paid by cheque.

You do not have to sell your Carpentaria shares if you do not want to, however, your shares will be sold on your behalf unless you respond to this letter before the Specified Date. In addition, you cannot sell part of your shareholding under this Divestment Notice.

Timetable

The timetable for the Facility is as follows:

Record date to determine non marketable parcels	Tuesday, 13 September 2011
Divestment notice mailing date – Open	Monday, 19 September 2011
Specified Date – Close	Tuesday, 1 November 2011
Selling of non marketable parcels commences	Friday, 4 November 2011
Last date for sale of non marketable parcels	Tuesday, 15 November 2011
Remittance of proceeds of sales to participants	Tuesday, 29 November 2011

Please note the above timetable may be amended at any time by Carpentaria with notice to the ASX.

Lapse of facility on Takeover

On the day on which a Takeover is announced (as defined in the ASX Listing Rules), Carpentaria's powers of sale under the Facility will lapse until the close of offers under the Takeover. On the close of offers under the Takeover, Carpentaria may re-instate the Facility.

Appointment of Broker

Carpentaria has appointed RBS Morgans, Level 29, Riverside Centre, 123 Eagle Street, Brisbane, Qld 4000 ("Broker") to sell the non marketable parcels on the ASX by placing one or more orders to sell shares on the ASX in the ordinary course of business (including, at the Broker's sole discretion, by crossings). The price you receive for the sale of the shares will be equal to the volume weighted average for all shares sold under this Facility. That price will be calculated by the Broker and may not be challenged in the absence of manifest error. LMS will send you a transaction confirmation statement notifying you of the number of your Carpentaria shares sold under the Facility, the sale price of those shares and the total sale proceeds you have received.

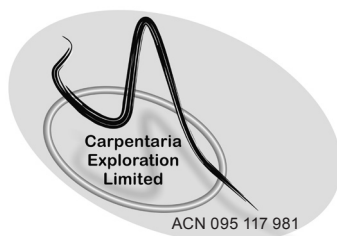
Other important information

Carpentaria Exploration Limited and RBS Morgans do not make any recommendation to you regarding whether to participate in the Facility or whether to buy, sell or hold Carpentaria shares and do not provide any financial, taxation or investment advice in relation to the Facility. If you are unsure or require further information regarding the possible implications from participating in the Facility, please consult your legal, financial or taxation adviser. If you have any queries concerning the contents of this letter please contact Carpentaria Exploration Limited on (07) 3220 2022 (callers within Australia) or (617) 3220 2022 (overseas callers) between the times of 8.30am and 5.30pm AEST.

Yours sincerely

Chris Powell
Company Secretary

Encl: Share Retention Form



All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 554 474
From outside Australia: +61 2 8280 7454
Facsimile: (02) 9287 0309
ASX Code: CAP
Website: www.linkmarketservices.com.au



SRN/HIN:

Number of Shares held as at
the Record Date, 7:00pm (AEST)
on 13 September 2011

IMPORTANT NOTICE

Please complete this form if you do not wish your Shares in Carpentaria Exploration Limited to be sold. If you do not understand this notice you should immediately consult your financial adviser.

SHARE RETENTION FORM

If you wish to retain your Shareholding in Carpentaria Exploration Limited ("CAP") you must complete this form and return it to CAP's Registry, so that it is received no later than 5:00pm (AEST), on 1 November 2011. Forms may be mailed or delivered to the addresses below.

Mailing Address

Carpentaria Exploration Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

or

Hand Delivery

Carpentaria Exploration Limited
C/- Link Market Services Limited
Level 12, 680 George Street,
Sydney NSW 2000 **(Do not use this address for mailing purposes)**

This form must be received by CAP's Registry no later than 5:00pm (AEST), on 1 November 2011, or your Shares will be sold.

Retention of Shares

I/We the Shareholder(s) described above by signing this form, hereby give notice that I/we wish to retain my/our Shareholding in CAP, pursuant to Clause 31 of Schedule of the Company's Constitution.

Contact Details

Enter your telephone number(s) where we may contact you regarding this form.

Telephone Number – Business Hours

Telephone Number – After Hours

Contact Name (PRINT)

Shareholder Signature(s) – This MUST be completed

Shareholder 1

Individual or Sole Director and
Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date

This form should be signed by the Shareholder. If a joint holding, all Shareholders should sign. If signed by the Shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).

**THIS FORM MUST BE RECEIVED BY LINK MARKET SERVICES LIMITED
BY NO LATER THAN 5:00PM (AEST) ON THE 1 NOVEMBER 2011**

If you require further information on how to complete this form, please contact Carpentaria Exploration Limited on 07 3220 2022 (within Australia) or +61 7 3220 2022 (from outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday.

CAP RSS001

