ACTINOGEN LIMITED
ACN 086 778 476

23 March 2012

Dear Shareholder,

Non-renounceable Rights Issue of Shares with Free Attaching Option

On 22 March 2012 Actinogen Ltd (**ACW**) announced a one (1) for two (2) non-renounceable pro rata rights issue of new ACW shares at an issue price of 3 cents for each new share, with one (1) free attaching option (exercisable at 20 cents and expiring on 30 September 2015) for every one (1) new ACW share issued (**Rights Issue**).

The rights issue prospectus and appendix 3B have been lodged with the ASX and appear on the ASX website and on Actinogen's website at www.actinogen.com.au.

The Rights Issue will result in the issue of 40,232,214 new ACW shares (and 40,232,214 free attaching options) and will raise an estimated $1,206,966.44 if all rights are taken up (based on ACW's undiluted share capital as at the date of this letter). ACW will apply for quotation of the new ACW shares and the free attaching options issued pursuant to the Rights Issue on the ASX.

The funds raised will be applied (after paying expenses of the Rights Issue) towards working capital purposes and:

1. commercialization of Actinogen's bio-ethanol research program and the construction of a bio-ethanol pilot plant;

2. furtherance of Actinogen's cancer stem cells research, looking for new agents that may specifically kill or inhibit Cancer Stem Cells that may remain inside the human body and could develop into secondary cancer tumours, after chemotherapy has killed the cancer cells; and

3. furtherance of Actinogen's antibiotics research program to discover new soil actinomycetes that synthesize bacterial antibiotics.

In addition to being able to apply for new ACW shares, eligible shareholders who take up their full entitlement under this issue will have the opportunity to apply for additional new ACW shares (& free attaching option) that are not subscribed for in the Rights Issue (**Shortfall Securities**). The issue of Shortfall Securities is at Directors' discretion.

The Rights Issue will not be underwritten and is not being sponsored by a broker.

The Prospectus for the Rights Issue and Entitlement & Acceptance Form will be sent to you on 5 April 2012.

Under the Rights Issue, every person with an Australian or New Zealand registered address who is registered as the holder of fully paid ordinary shares in the capital of ACW (**Shares**) at 5.00pm (AWST) on 30 March 2012 (**Record Date**) will be entitled to participate in the Rights Issue in respect of the number of Shares that person is then registered as the holder of. Shareholders with registered addresses in countries outside of Australia and New Zealand will not be eligible to participate in the Rights Issue. ACW will send to each of the security holders outside of Australia and New Zealand details of the offer and advise them that the Company will not be making the offer to them.

The Rights Issue is open for acceptance by eligible shareholders from 5 April 2012 until 5.00pm (AWST) on 23 April 2012 (subject to the Directors varying the closing date in accordance with the ASX Listing Rules).

Please note that ACW Shares were quoted on an "ex" basis from 26 March 2012, and therefore any Shares bought or sold on market on and from this date will not carry entitlements under the Rights Issue.

Shareholder approval is not required for the Rights Issue. Shares issued under the Rights Issue will be issued as fully paid and will rank equally with existing shares in ACW's share capital.

Holdings on different registers (or subregisters) will not be aggregated for calculating entitlements.

Fractions of a Share will be rounded up to the nearest whole Share where the determination of an eligible shareholder's entitlement under the Rights Issue results in a fraction.

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The total number and class of all securities to be quoted on ASX (including the maximum number of securities to be issued in the Rights Issue on an undiluted basis – ie. assuming no existing options are exercised) is as follows:

Number	Class
120,696,643	Ordinary shares
84,069,292	Options (49,764,292 expiring on 30/09/15 at 20c and 34,305,000 expiring on 01/08/12 at 50c)

As at the date of this letter, there are 43,837,078 options to subscribe for Shares on issue. If all or some of these options are exercised prior to the Record Date this will also impact the maximum number of Shares to be issued under the Rights Issue. On 23 March 2012, holders of existing options to subscribe for Shares were sent a notice of their right to exercise their options in order to be eligible to participate in the Rights Issue.

ACW currently has no dividend policy.

The details of the Offer of New Shares are described in this Prospectus. You should have received a personalised Entitlement and Acceptance Application Form with the Prospectus, but if you are any doubt, please contact the Company's Share Registry.

Please note that the Closing Date for acceptances is 5.00 pm WST on 23 April 2012. If you wish to participate in this Rights Issue of New Shares and New Options it is essential that your Completed Entitlement and Acceptance Application Form reaches the Company's Share Registry by this time.

The following proposed (ie indicative only) key dates for the Rights Issue are:

Event	**Date**
Lodgement of Appendix 3B with ASX	**22 March 2012**
Lodgement of Prospectus with the ASIC and ASX	**22 March 2012**
Notice containing Appendix 3B information sent to Shareholders	**23 March 2012**
Ex date	**26 March 2012**
Record Date for Determining Entitlements	**30 March 2012**
Prospectus despatched to Shareholders	**5 April 2012**
Closing Date* 5.00 pm (WST)	**23 April 2012**
Securities quoted on a deferred settlement basis	**24 April 2012**
Notify ASX of under subscription	**27 April 2012**
Issue date	**30 April 2012**
Despatch of holding statements	**1 May 2012**
Date of quotation of Securities issued under the Rights Issue*	**1 May 2012**

The above information was provided to the ASX on 22 March 2012. If you have any queries concerning the Rights Issue, or the details contained in this letter or the prospectus, please contact your financial advisor, Computershare Share Registry on 1300 557 010, or the Company Secretary, Suraj Sanghani, on (08) 9225 4815.

Yours faithfully
For and On Behalf of the Board

Suraj Sanghani, Company Secretary