



Australian Agricultural Company Limited

ABN 15 010 892 270

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

ASX Announcement

20 September 2013

ENTITLEMENT OFFER – LETTER TO INELIGIBLE SHAREHOLDERS

Attached is a copy of the letter sent to ineligible shareholders associated with the accelerated non-renounceable pro-rata entitlement offer announced by Australian Agricultural Company Limited (“**AACo**”) (ASX: AAC) on 12 September 2013.

A printed copy of the letter will be sent to all ineligible shareholders.

For further information about AACo, the entitlement offer, or the capital raising generally, please contact:

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Australian Agricultural Company Limited
ABN 15 010 892 270

20 September 2013

Dear Shareholder

LETTER TO INELIGIBLE SHAREHOLDERS – NON-RENOUNCEABLE ENTITLEMENT OFFER

On 12 September 2013, Australian Agricultural Company Limited (**AACo**) announced a capital raising to raise approximately AUD\$299 million through:

- a AUD\$219.2 million fully underwritten accelerated non-renounceable pro-rata entitlement offer of new fully paid ordinary in AACo (**New Shares**) (**Entitlement Offer**); and
- the issue of AUD\$80.0 million of subordinated convertible notes maturing in September 2023, (together, the **Capital Raising**).

This letter relates to the Entitlement Offer.

The Entitlement Offer is comprised of an institutional component (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) (**Retail Entitlement Offer**). The Entitlement Offer is being made on the basis of 7 New Shares for every 10 existing AACo ordinary shares held (**Existing Shares**) at an issue price of AUD\$1.00 (**Issue Price**).

This letter is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter.**

The Entitlement Offer

The Entitlement Offer is being made by AACo in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Act**) as modified by ASIC Class Order [CO 08/35] and ASIC Class Order [CO 07/571]. The Institutional Entitlement Offer has been completed and raised approximately AUD\$129.2million. The Retail Entitlement Offer is expected to raise approximately AUD\$90.0 million.

The net proceeds of the Capital Raising will be applied to:

- fund the remaining capital expenditure and working capital requirements associated with the Darwin Abattoir;¹
- reduce net debt in order to support a future refinancing of AACo's existing debt facilities; and
- increase AACo's financial flexibility to pursue its vertical integration strategy.

Details of the Retail Entitlement Offer

The Retail Entitlement Offer is being made to Eligible Retail Shareholders, on the basis of 7 New Shares for every 10 Existing Shares held at 7.00pm (AEST) on Tuesday, 17 September 2013 (**Record Date**).

Eligible Retail Shareholders (other than related parties of AACo) also have the opportunity to apply for additional New Shares beyond their entitlement, up to 0.5 times their full entitlement. The allotment of any additional New Shares pursuant to this oversubscription facility is subject to any scale back and rounding applied by AACo in the event that applications for additional New Shares exceed the available shortfall.

¹ Subject to change depending on final determination of scope and project costs. Excludes any potential increase of livestock on stations to support abattoir throughput.

An offer booklet in relation to the Retail Entitlement Offer will be despatched to Eligible Retail Shareholders on or around 20 September 2013 (**Retail Offer Booklet**).

Further information in relation to the capital raising has been disclosed to the Australian Securities Exchange (**ASX**).

Eligibility criteria

The Retail Entitlement Offer is only open to Eligible Retail Shareholders. An Eligible Retail Shareholder is a person who:

- was registered as a holder of Existing Shares as at 7.00pm (AEST) on the Record Date;
- has a registered address on the AACo share register in Australia or New Zealand;
- did not receive an offer (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer (whether they accepted their entitlement or not) and was not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer;
- is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such person holds ordinary shares of AACo for the account or benefit of such person in the United States); and
- is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus, disclosure document, or any lodgement, filing, registration or qualification,

(Eligible Retail Shareholder).

Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders (**Ineligible Retail Shareholders**).

The restrictions upon eligibility to participate in the Retail Entitlement Offer arise because of the legal and regulatory requirements in countries other than Australia or New Zealand and the potential costs to AACo of complying with these legal and regulatory requirements compared with the relatively small number of shareholders with registered addresses in those countries, the relatively small number of Existing Shares they hold and the relatively low value of New Shares to which they would otherwise be entitled. AACo determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3) of the Act, that it would be unreasonable to make or extend offers to shareholders in certain countries under the Retail Entitlement Offer.

Unfortunately, according to our records, you do not satisfy the eligibility criteria stated above, and you are deemed to be an Ineligible Retail Shareholder for the purposes of the Entitlement Offer. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Act, AACo wishes to advise you that you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent a copy of the Retail Offer Booklet or any other documents relating to the Entitlement Offer.

You are not required to do anything in response to this letter.

For further information on the Entitlement Offer please contact the AACo Offer Information Line on +61 2 8767 1022 from 9.00am to 5.00pm (AEST) Monday to Friday during the period of the Retail Entitlement Offer. For other questions you should contact your stockbroker, accountant or other professional adviser.

Yours faithfully,



Donald McGauchie
Chairman, Australian Agricultural Company Limited

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Important Information

This letter is issued by Australian Agricultural Company Limited, ABN 15 010 892 270 (**AACo**). This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in AACo in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of AACo ordinary shares.

This letter does not constitute an offer to sell, or the solicitation to buy, any securities in the United States or any other jurisdiction. No action has been, or will be, taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia or New Zealand. In particular, the New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (**Securities Act**) or under the securities laws of any state or other jurisdiction of the United States. Accordingly, 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.

Certain statements made in this release are forward-looking statements, including statements regarding the conduct and the outcome of the Entitlement Offer. These forward-looking statements are not historical facts but rather are based on AACo's current expectations, estimates and projections about the industry in which AACo operates, and beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of AACo, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. AACo cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of AACo only as of the date of this release. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. AACo will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this release except as required by law or by any appropriate regulatory authority.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, position, financial situation or needs. Before acting on this information, you should consider the appropriateness of the information, having regard to your objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.