



28 October 2013

Dear Option holder

NON-RENOUNCEABLE RIGHTS ISSUE

We wish to announce that on 28 October 2013, Carpentaria Exploration Limited (ASX: CAP) (**Carpentaria**) intends to announce a non-underwritten, non-renounceable pro rata entitlement issue of 1 new fully paid share (**New Share**) for every 8 ordinary shares held at A\$0.155 cents per New Share subscribed, to raise up to approximately A\$2,330,000 before costs (**Proposed Rights Issue**).

The capital raised from this Proposed Rights Issue will be directed towards the meeting development cost requirements in the medium term for the Hawsons Project in order to retain its 60% interests and to develop and participate in other potential strategic and operational opportunities involving the Hawsons Project.

Full details of the Proposed Rights Issue will be set out in the announcement of the Proposed Rights Issue, Offer Memorandum and Appendix 3B expected to be lodged with ASX on 28 October 2013.

The purpose of this letter is to advise you of the Proposed Rights Issue and advise you that as an option holder you cannot participate in the Proposed Rights Issue in respect of the Carpentaria options you hold without first exercising some or all of those options prior to the record date, being 5:00 pm AEDT on 6 November 2013 (**Record Date**).

If you do not wish to participate in the Proposed Rights Issue (in respect of your Carpentaria options) you do not need to take any action.

Eligibility to participate

Under the Proposed Rights Issue, every person who is registered as the holder of Carpentaria shares at 5:00 pm AEDT on the Record Date with a registered address in Australia or New Zealand will be entitled to participate in the Proposed Rights Issue. Shareholders with registered addresses in countries other than Australia or New Zealand will **not** be eligible to participate in the Proposed Rights Issue.

Accordingly, to be eligible to participate in the Proposed Rights Issue in respect of the Carpentaria shares to be issued on exercise of the Carpentaria options you hold, you must exercise those Carpentaria options and be registered as the holder of the underlying Carpentaria shares before the Record Date.

To exercise some or all of your Carpentaria options you will need to:

1. give notice, in writing, to Carpentaria in accordance with the terms and conditions of the options; and

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2. pay to Carpentaria the exercise price for each Carpentaria option exercised.

Indicative Rights Issue Timetable

The anticipated timetable for the Proposed Rights Issue (subject to amendment) is as follows:

Event	Date
Announcement of Proposed Rights Issue – announcement of Proposed Rights Issue, Offer Memorandum, ASX Appendix 3B and the Cleansing Notice (given under section 708AA(2)(f) of the Corporations Act) lodged with the ASX	28 October 2013
'Ex' date – the date on which Carpentaria shares commence trading on an "ex" entitlement basis	30 October 2013
Record Date – the date for determining entitlements of Shareholders to participate in the Proposed Rights Issue (5.00pm AEDT)	6 November 2013
Offer Memorandum sent to Shareholders – dispatch of Offer Memorandum and Entitlement and Acceptance Forms, and lodgement of cleansing notice – Proposed Rights Issue opens for acceptances	12 November 2013
Closing date – the last day for receipt of Entitlement and Acceptance Forms (5.00pm AEDT)	11 December 2013
Shortfall notification date	16 December 2013
Allotment date – allotment of New Shares	19 December 2013
Dispatch date – despatch of Transaction Confirmation Statements	20 December 2013
Expected commencement of normal trading in New Shares on ASX	20 December 2013

Carpentaria reserves the right to amend this timetable subject to the Listing Rules and the terms of the underwriting agreement.

You are encouraged to read the Rights Issue Offer Memorandum that is expected to be lodged with the ASX (and will be available to download at www.asx.com.au, using ASX code "CAP") on 28 October 2013 fully before exercising any of your Carpentaria options.

If you have any queries in relation to the exercise of your Carpentaria options and the Proposed Rights Issue, you should consult your stockbroker or other professional adviser.

Yours faithfully
By order of the Board

Chris Powell
Company Secretary
Carpentaria Exploration Limited