

15 October 2018

MURRAY RIVER ORGANICS COMPLETES DESPATCH OF PROSPECTUS TO ELIGIBLE SHAREHOLDERS AND DESPATCH OF LETTER TO INELIGIBLE SHAREHOLDERS

Murray River Organics (ASX:MRG) ("Company") advises that it will today complete despatch of the Prospectus for the fully underwritten 2.4 for 1 accelerated renounceable entitlement offer, announced on Tuesday, 9 October 2018 ("Entitlement Offer" or "Offer") and personalised entitlement and acceptance forms to eligible retail shareholders. A copy of the Prospectus was released to ASX on 9 October 2018.

Only eligible retail shareholders holding shares on the record date of 7.00pm (AEDT) on Thursday 11 October 2018 may participate in the retail entitlement offer. A notification to those retail shareholders ineligible to participate in the Entitlement Offer will also be sent today (a copy of the notice to ineligible retail shareholders is attached).

Further information

For further information on the Retail Entitlement Offer, please contact the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) at any time between 8.30am to 5.00pm Monday to Friday during the Entitlement Offer. Alternatively, you can access information about the Entitlement Offer online at <https://murrayriverorganicsoffer.thereachagency.com>.

Carlie Hodges

Company Secretary

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Murray River Organics Group Limited (ASX: MRG) is a leading Australian producer, manufacturer, marketer and seller of certified organic, natural and better-for-you food products. We service the organic, natural and healthy food and snack market globally.

For further information please visit www.murrayriverorganics.com.au

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15 October 2018

Dear Shareholder

MURRAY RIVER ORGANICS GROUP LIMITED - ENTITLEMENT OFFER NOTIFICATION TO INELIGIBLE SHAREHOLDERS

On 9 October 2018, Murray River Organics Group Limited (ASX: MRG) (**Company**) announced its intention to raise approximately \$30.6 million through an accelerated pro-rata renounceable entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) at an Offer Price of \$0.10 per New Share (**Entitlement Offer**).

The Entitlement Offer is being conducted in two components:

- (a) an accelerated renounceable institutional entitlement offer of New Shares to eligible institutional shareholders (**Institutional Entitlement Offer**); and
- (b) a renounceable retail entitlement offer of New Shares to eligible retail shareholders (**Retail Entitlement Offer**).

The Entitlement Offer is fully underwritten by Shaw and Partners (**Underwriter**).

The Institutional Entitlement Offer closed on 10 October and the results of that component of the Entitlement Offer were announced to the market on 11 October.

The Entitlement Offer is being made pursuant to a Prospectus prepared in accordance with section 713 of the Corporations Act 2001 (Cth) (Act) (**Prospectus**).

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 entitlements or New Shares to you, nor an invitation for you to apply for entitlements or New Shares. You are not required to do anything in response to this letter.

Details of the Entitlement Offer

The Entitlement Offer is being made to Eligible Shareholders (as defined below) to subscribe for 2.4 New Shares for every 1 existing share held as at 7.00pm (Melbourne time) on 11 October 2018 (**Record Date**).

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Further details about the Entitlement Offer are set out in the Prospectus, which was lodged with the Australian Securities & Investments Commission and the Australian Securities Exchange (ASX) on 9 October 2018 and will be despatched to Eligible Shareholders on or around 15 October 2018.

The proceeds from the Entitlement Offer will be applied to provide the business sufficient capital to execute the Company's turnaround strategy, with a particular focus on development of its existing vineyards, providing confidence to third party fruit suppliers and funding operational cash flow.

Eligibility Criteria

Shareholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Shareholders**) are those who:

- (a) are registered as an existing shareholder of the Company as at 7.00pm (Melbourne time) on the Record Date;
- (b) have a registered address on the Company's share register in Australia or New Zealand;
- (c) are not in the United States; and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

To avoid any doubt, an Eligible Retail Shareholder also includes any institutional shareholder who was eligible to participate in the Institutional Entitlement Offer but was either not invited to participate in the Institutional Entitlement Offer and was not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer (as determined by the Underwriter in consultation with the Company), or was invited to participate in the Institutional Entitlement Offer but indicated a preference to participate in the Retail Entitlement Offer instead (subject to compliance with applicable laws).

Shareholders who are not Eligible Shareholders are not entitled to participate in the Entitlement Offer (**Ineligible Shareholders**) and will not be sent the Prospectus.

The restrictions upon eligibility of shareholders in certain countries to participate in the Entitlement Offer are because of the relatively small number of shareholders in those countries, the small number of shares they hold, the relatively low value of New Shares to which those shareholders would otherwise be entitled and the potential cost of complying with the legal requirements and the requirements of regulatory authorities in those countries. The Company has determined, pursuant to ASX Listing Rule 7.7.1(a), that it would be unreasonable to make offers under the Retail Entitlement Offer to retail shareholders of the Company in countries other than Australia or New Zealand due to the legal limitations and potential cost of complying with regulatory requirements in those countries.

Unfortunately, according to our records, you did not satisfy the eligibility criteria for an Eligible Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b), the Company

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wishes to advise you that it will not be extending the Entitlement Offer to you, you will not be sent the Prospectus and you will not be able to subscribe for New Shares under the Entitlement Offer.

However, as the Entitlement Offer is renounceable, Ineligible Shareholders may receive value for the entitlements they would have received had they been eligible to participate in the Entitlement Offer as explained below:

- the Company has appointed the Shaw related entity McNeil Nominees Pty Ltd ACN 003 207 592 as the nominee in respect of the Ineligible Shareholders (**Nominee**). Entitlements that Ineligible Shareholders would otherwise have been entitled to will instead be issued to the Nominee, who will sell the Entitlements to institutional investors under a bookbuild process managed by the Underwriter (Retail Bookbuild), which is expected to occur on 26 October 2018.
- If the price at which the New Shares are acquired by participants in the Retail Bookbuild (Retail Bookbuild Price) is higher than the Offer Price, the difference between the Retail Bookbuild Price and the Offer Price (Retail Premium) will be paid on a pro-rata basis to Ineligible Retail Shareholders and Eligible Retail Shareholders who do not take up their full Entitlement (net of expenses and any applicable withholding tax). The Offer Price will be received by the Company as application monies for the New Shares.
- If the Retail Bookbuild Price is not higher than the Offer Price the Company will receive the Offer Price in respect of all New Shares issued under the Retail Bookbuild and no amount will be payable to Ineligible Retail Shareholders.
- The Registry will distribute any Retail Premium proportionately to Ineligible Retail Shareholders. However there is no guarantee that you will receive any value for your ineligible entitlements.

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Indicative Timetable - Key Entitlement Offer details	
Announcement of the Offer and Prospectus lodgement date	9 October 2018
Institutional Entitlement Offer opens including Institutional Bookbuild	9 October 2018
Institutional Entitlement Offer closes including Institutional Bookbuild	10 October 2018
Announcement of Institutional Entitlement Offer results	11 October 2018
Record Date for the Retail Entitlement Offer	7.00pm (AEDT) 11 October 2018
Prospectus dispatched to Eligible Shareholders	15 October 2018
Retail Entitlement Offer opens	15 October 2018
Applications monies received for Institutional Entitlement Offer and Institutional Bookbuild and held in trust	16 October 2018
Retail Entitlement Offer closes	5.00pm (AEDT) 24 October 2018
Announcement of the Retail Entitlement Offer results	25 October 2018
Bookbuild for shortfall from Retail Offer (if required)	26 October 2018
Settlement Date for the Retail Entitlement Offer	31 October 2018

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Allotment of all New Shares under the Offer	1 November 2018
Quotation of all New Shares under the Offer	2 November 2018
Voluntary suspension of trading lifted and normal trading of all New Shares under the Offer to commence on ASX	2 November 2018
Dispatch of holding statements for all New Shares under the Offer and payment (if any) in respect of renounced and ineligible Entitlements	5 November 2018

This timetable is indicative only. The directors may vary these dates subject to the ASX Listing Rules. An extension of the closing date will delay the anticipated date for issue of the New Shares.

The directors of the Company also reserve the right not to proceed with the Entitlement Offer any time prior to allotment and issue of the New Shares under the Entitlement Offer. In that event, the relevant application monies (without interest) will be returned in full to applicants.

Further Information

If you have any questions in relation to any of the above matters please contact the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) at any time from 8.30am to 5.00pm (Melbourne Time) during the Entitlement Offer period. You may also wish to contact your stockbroker, accountant or other professional adviser.

On behalf of the Board and management of the Company, I thank you for your continued interest in the Company.

Yours sincerely



Andrew Monk
Chairman

Murray River Organics Group Limited

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