



# Penrice Soda Holdings Limited

A.C.N 109 193 419

A.B.N. 83 109 193 419

28 October 2009

Dear Shareholder

## Non-renounceable Entitlement Offer

Penrice Soda Holdings Limited (**PSH** or **the Company**) is pleased to announce a fully underwritten equity raising of \$28.1 million by way of:

- a placement of approximately 7.9 million shares to institutional and sophisticated investors at \$0.85 per share, raising approximately \$6.8 million (**Placement**); and
- a 1 for 2 non-renounceable entitlement offer (**Entitlement Offer**) to existing Penrice shareholders and to participants of the Placement at an offer price of \$0.70 per share to raise up to approximately \$21.3 million.

Eligible shareholders can also elect to apply for additional shares in excess of their entitlement under the Entitlement Offer.

I also advise that, with the Company undertaking this capital raising - the last significant milestone in the renewal of the Company – I consider it is an appropriate time for me to retire from your Board at the forthcoming Annual General Meeting with the knowledge that the Company is well positioned for the future. Current non executive director, Mr. David Trebeck will be assuming the position of Chairman from the Annual General Meeting and Mr Andrew Fletcher will continue as Deputy Chairman.

## Eligibility Criteria

PSH shareholders who are eligible to participate in the Entitlement Offer are shareholders who:

1. are registered as a holder of PSH shares at 7.00pm AEST on Thursday, 5 November 2009 (**the Record Date**); and
2. are recorded on the Company's share register as having a registered address in Australia or New Zealand.

PSH has determined, pursuant to section 9A(3)(a) of the *Corporations Act 2001* (Cth) (**Act**) and ASX Listing Rule 7.7.1(a) that it would be unreasonable to make offers in connection with the Entitlement Offer to shareholders with registered addresses outside of Australia and New Zealand. In determining eligibility for participation in the Entitlement Offer, the Company has considered the relatively small number of shareholders with registered addresses outside of Australia and New Zealand; the small

number and value of shares which would be offered to shareholders with registered addresses outside of Australia and New Zealand; and the cost to PSH of complying with laws and applicable regulatory requirements in places outside of Australia and New Zealand.

In view of these considerations, and in accordance with the requirements of section 9A(3)(b) of the Act and ASX Listing Rule 7.7.1(b), PSH advises that it will not make an offer under the Entitlement Offer to shareholders with registered addresses in places other than Australia and New Zealand. Ineligible shareholders will not be sent an Offer Booklet in relation to the Entitlement Offer and will not be able to subscribe for new PSH shares under the Entitlement Offer.

As the Entitlement Offer is non-renounceable (that is, the rights are not able to be transferred or assigned), ineligible shareholders will not receive any payment or value in respect of any PSH shares that would have been offered to them under the Entitlement Offer if they had met the relevant eligibility criteria set out above.

### **Details of Entitlement Offer**

The Entitlement Offer does not require shareholder approval, and will be conducted without a disclosure document under Part 6D.2 of the Corporations Act 2001 (Cth) (**the Act**), in reliance on section 708AA of the Act.

The Entitlement Offer is expected to raise approximately \$21.3 million (before expenses). Funds raised by the Entitlement Offer and the Placement will be used to pay down existing debt, provide additional working capital and provide up to approximately \$8 million for the potential further expansion of the sodium bicarbonate plant.

The Entitlement Offer is being underwritten by RBS Morgans Corporate Limited and Wilson HTM Corporate Finance Limited as Joint Lead Managers.

Shareholders will receive a copy of the Offer Booklet shortly. Applications can only be made using the personalised Entitlement and Acceptance Form which will accompany the Offer Booklet. A copy of the Offer Booklet is available for viewing on the Company's website ([www.penrice.com.au](http://www.penrice.com.au)) and on the ASX website ([www.asx.com.au](http://www.asx.com.au)).

### **Entitlement Offer Timetable**

The proposed timetable for the Entitlement Offer is as follows\*:

<b>Action</b>	<b>Date</b>
Initial announcement of Entitlement Offer and lodgement of Appendix 3B and Cleansing Notice	27 October 2009
Preliminary notice of Entitlement Offer despatched to shareholders	28 October 2009
PSH shares commence trading ex-rights	29 October 2009
Record Date for determining entitlement to participate in Entitlement Offer	7pm AEST on 5 November 2009
Despatch of Offer Booklet and Entitlement and Acceptance Form and Offer Opening Date	9 November 2009

Entitlement Offer closes	5pm AEST on 27 November 2009
PSH securities quoted on a deferred settlement basis	30 November 2009
PSH notifies ASX of under subscriptions	1 December 2009
Allotment of Entitlement Offer shares and despatch of holding statements	7 December 2009
Normal trading of Entitlement Offer shares expected to commence on ASX	8 December 2009

\*This timetable is indicative only. The Company reserves the rights to vary the above dates, subject to the requirements of the ASX Listing Rules.

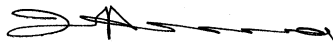
### Summary

Following completion of the Entitlement Offer, the Company will have 91,361,523 fully paid ordinary shares on issue. The Entitlement Offer shares will rank equally in all respects with the Company's existing fully paid ordinary shares.

The Company encourages eligible shareholders consult their stockbroker, accountant, solicitor or other financial advisor if they have any questions about the Entitlement Offer or the Offer Booklet.

The Board of PSH is pleased to be able to offer its loyal shareholders the opportunity to further participate in the Company's growth and future success by participating in the Entitlement Offer. If you have any queries, please contact the Company on 1800 088 224, or its share registry Link Market Services Limited on 1300 55 44 74.

Yours faithfully



**John H. Heard**  
Non-Executive Chairman