

Vet Biotechnology

ACN 105 577 017
Level 1, 157 Melbourne St
NORTH ADELAIDE SA 5006
Telephone +61 (0) 8 8367 0744
Facsimile +61 (0) 8 8367 0766

11 June 2008

The Manager
Company Announcements
National Stock Exchange of Australia

Dear Sir,

We wish to advise that the Vet Biotechnology Limited (NSX:VBL) has mailed the enclosed documentation to shareholders in respect of the company's Share Purchase Plan.

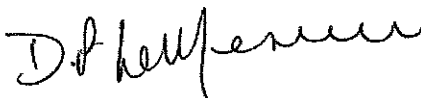
The Share Purchase Plan is being offered to all shareholders who have a registered address in Australia or New Zealand.

The Share Purchase Plan will close on 4 July 2008.

For further information contact:

Ascend Corporate Pty Ltd - Alice LeMessurier	(02) 9238 1108
Azure Group Pty Ltd – Michael Derin	(02) 9238 1116

Yours Faithfully



Peter LeMessurier
Chairman

Vet Biotechnology

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11 June 2008

[Share Holder Address]

Dear Shareholder

Vet Biotechnology Ltd - Shareholder Purchase Plan

The Board of Directors of Vet Biotechnology Limited ("**VBL**") is pleased to invite you to participate in a share purchase plan ("**SPP**").

The SPP is available to shareholders who are registered shareholders at 7:00 pm (AEST) on 11 June 2008 ("**Record Date**") with a registered address in Australia or New Zealand ("**Eligible Shareholders**")

The SPP will enable Eligible Shareholders, regardless of the number of shares they hold in VBL on the Record Date, to subscribe for a parcel of ordinary shares in VBL with a value of either \$2,500 or \$5,000.

The new shares will be issued at \$0.10 cents per share, an attractive discount of approximately 67% to the current market price.

The funds raised under the SPP will provide VBL with further financial strength and capacity to undertake research and development projects, to assist consolidate the ongoing costs of the company's stem cell business and to assist with the company's long-term business planning.

Participation in the SPP is voluntary. Eligible Shareholders cannot transfer their rights to subscribe for shares under the SPP to other parties. New shares issued as part of the SPP will rank equally with existing fully paid ordinary shares in VBL.

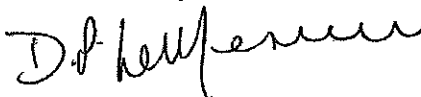
The terms and conditions of the SPP are outlined in the enclosed document headed 'Terms and Conditions'. If you wish to participate in the SPP, please complete the enclosed application form ("**Application Form**"). Please read the instructions on the Application Form and the terms and conditions of the SPP carefully. By making an application to purchase shares under the SPP, you agree to be bound by those terms and conditions.

The completed Application Form, together with your payment by cheque or bank draft (in Australian dollars and payable to Vet Biotechnology Limited), must be forwarded to VBL's Company Secretary, the Azure Group Pty Limited.

The offer closes at 5:00 pm (AEST) on 4 July 2008 ("**Closing Date**") and all applications must be received by the Azure Group Pty Limited on or before closing time.

If you have any questions about participating in the SPP, you should consult your stockbroker or professional adviser.

Yours sincerely



Peter Le Messurier
Chairman

Terms and Conditions

Vet Biotechnology Limited - Share Purchase Plan

Vet Biotechnology Limited (ACN 105 577 017)

13 June 2008

Vet Biotechnology Limited ("VBL") is giving shareholders the opportunity to subscribe for ordinary shares in VBL through a share purchase plan ("SPP"). Participation in the SPP is optional and subject to the following terms and conditions:

Key Dates

Date 2008	Event	
11 June 2008	Record Date	The date on which VBL determines Eligible Shareholders
13 June 2008	Opening Date	Share Purchase Plan opens
4 July 2008	Closing Date	Share Purchase Plan closes. Applications must be received by 5:00pm AEST
10 July 2008	Allotment Date	Shares allotted
14 July 2008	Despatch Date	Transaction confirmation despatched to shareholders
16 July 2008	Trading Date	The date on which shares are anticipated to begin trading

Who is eligible under this offer?

You are an Eligible Shareholder and entitled to apply for shares under this offer if you are a person or entity:

- who is registered as a holder of ordinary shares in VBL at 7:00 pm on the Record Date; and
- who has a registered address in Australia or New Zealand.

A trustee or nominee who is expressly noted on the VBL share register as holding shares on account of a beneficiary may apply, on behalf of each such beneficiary, for shares under the SPP up to the maximum amount. To the extent that a trustee or nominee holds shares on account of a beneficiary resident outside of Australia and New Zealand, it is the responsibility of the registered holder to ensure that any acceptance complies with all applicable foreign laws. The Application Form must be accompanied by a schedule showing the names and addresses of each beneficiary and the number of shares applied for.

How much can Eligible Shareholders invest?

The amount an Eligible Shareholder may invest under this SPP is limited. Eligible Shareholders, regardless of the number of shares they held in VBL on the Record Date, may apply for one parcel of ordinary shares in VBL with a value of either \$2,500 or \$5,000.

If you receive more than one copy of this letter, or if you hold shares in more than one capacity (for example, because you are both a sole and joint holder of shares), the maximum amount you may apply to invest under the SPP in all capacities is \$5,000. No Eligible Shareholder may be issued with shares with an application price totalling more than \$5,000. If two or more persons are recorded on the VBL share register as jointly holding shares, they are taken to be a single registered owner. By applying to purchase shares under the SPP, you certify that you have not exceeded this \$5,000 limit.

What is the issue price of the shares?

The issue price for each share under the SPP is \$0.10 which represents a discount of approximately 67% to the weighted average market price of VBL shares for the five business days on which sales of shares occurred proceeding 2 June 2008.

This price is less than the market price of the shares trading on the National Stock Exchange of Australia ("NSX") at the commencement of trading on 6 June 2008, the day following the announcement of the SPP. The market price of the shares may rise and fall between the dates of this offer and the date when the shares are allotted under the SPP. Therefore, the value of the shares you receive on the allotment date may be more or less than the price paid for the shares. The current share price can be obtained from the NSX. You should consider obtaining your own independent financial and taxation advice before making a decision to acquire shares under the SPP.

What is the Allotment Date?

It is anticipated that the Allotment Date under the SPP will be 10 July 2008. Shareholding statements will be issued in respect of shares allotted under the SPP. VBL will, promptly after allotment, apply for shares allotted under the SPP to be listed for quotation on the official list of the NSX. You should await confirmation of quotation of the shares before trading in any shares you have applied for under the SPP.

Can you transfer your offer to a third party?

The offer is non-renounceable. Eligible Shareholders cannot transfer their right to participate in the SPP to a third party.

What costs will you incur?

No brokerage or other transaction costs are payable by Eligible Shareholders in connection with the application for and issue of shares under the SPP.

What rights will the shares carry?

The shares issued under the SPP will be ordinary shares and rank equally with all other ordinary shares on issues in VBL.

What happens if the issue is oversubscribed?

If the total number of shares applied for by shareholders under the SPP exceeds \$250,000.00, VBL may scale back the number of shares allotted to each accepting shareholder on a pro-rata basis, subject to rounding the adjusted number of shares at VBL's discretion.

Application moneys to be refunded will be posted to shareholders as soon as practical after the Closing Date. Interest will not be paid on money refunded.

How do I apply for shares under the SPP?

If after reading these terms and conditions you would like to participate in the SPP, follow the step-by-step instructions on the back of the enclosed Application Form.

The SPP offer will close at 5:00 pm (AEST) on 4 July 2008.

If your payment is not for the exact amount for 1 of the 2 offer options (a parcel of ordinary shares with a value of either \$2,500 or \$5,000), VBL reserves the right to reject your application and return your Application Form and cheque or bank draft to you.

Variations, waivers and resolution of disputes

The SPP may be modified or terminated by VBL at any time. VBL will advise the NSX of any modification or termination.

Without limiting the above, VBL reserves the right to (a) vary the key dates for the SPP; (b) waive compliance with any of these terms and conditions; (c) reject any application for shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these terms and conditions or any law, statute, regulation, statutory instrument or the NSX Listing Rules; and (d) settle in any manner it thinks fit any disputes or anomalies which may arise in connection with the SPP.

Other Terms and Conditions

Shareholders will be bound by the constitution of VBL and these terms and conditions by accepting the offer to acquire shares under the SPP.

VBL may, in its absolute discretion, reject your application to purchase shares under the SPP, including (without limitation) if:

- your Application Form is incorrectly completed or incomplete or otherwise determined by VBL to be invalid;
- your cheque is dishonoured or has not been completed correctly;
- the cheque or money order that you enclose with the Application Form is not made out for the exact amount of the parcel of shares that you have selected on the Application Form;

- a BPay® payment is not received, or is incomplete or invalid;
- it appears that you are applying to buy more than \$5,000 (in aggregate) of shares; or
- VBL believes that you are not an Eligible Shareholder.

No interest will be paid on any application money returned to you.

VBL may at any time irrevocably determine that an application is valid, in accordance with the terms and conditions, even if the Application Form is incomplete, contains errors or is otherwise defective. VBL and its officers and agents are authorised to correct any error in, or omission from, an Application Form by the insertion of any missing details.

If you apply to participate in the SPP, by completing and returning the Application Form:

- your application, on these terms and conditions, will be irrevocable and unconditional (it cannot be withdrawn);
- you acknowledge that you are an Eligible Shareholder;
- you certify that you have not applied for shares with an aggregate application price in excess of \$5,000 under the SPP and any similar arrangements in the 12 months prior to your application, even though you may have received more than one offer under the SPP or received an offer in more than one capacity under the SPP;
- you acknowledge that you are lawfully permitted to accept the offer to acquire shares under the SPP and participate in the SPP in accordance with the laws applicable in Australia and any other applicable laws in the jurisdiction in which you and/or the beneficial owner of your shares are situated;
- you accept the risk associated with any refund that may be despatched to you by cheque to your address shown on VBL's share register;
- you acknowledge that neither VBL nor Registries Limited has provided you with investment advice or financial product advice, and that neither has any obligation to provide this advice, concerning your decision to apply for shares under the SPP; and
- you irrevocably and unconditionally agree to the terms and conditions and agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the SPP.]

How do I get more information?

If you have any queries about the operation of the SPP or your entitlement, please call VBL's Company Secretary, Michael Derin of the Azure Group Pty Ltd during business hours.

Vet Biotechnology

Vet Biotechnology Limited
ABN 54 105 577 017

Share Purchase Plan - Application Form

Record Date: 11 June 2008

Close Date: 04 July 2008

Issue Price \$0.10 cents per share

<ADDRESS1>
<ADDRESS2>
<ADDRESS3>
<ADDRESS4>
<ADDRESS5>
<ADDRESS6>

A Offer Choice

Indicate your choice below by marking one box only

☐

Offer A
25,000 shares
A\$2,500.00

☐

Offer B
50,000 shares
A\$5,000.00

B Payment Details

Record cheque details below

Drawer	Cheque Number	BSB Number	Account No.	Amount A\$

PAYMENT INSTRUCTIONS:

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted. Your cheque or bank draft must be made payable to **Vet Biotechnology Limited and crossed Not Negotiable**. Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.
- Payments must be made via cheque accompanying the Application Form.
- Cash will not be accepted via the mail or at the Vet Biotechnology Limited Share Registry.
- Payments cannot be made at any bank.

C Contact Details

Please provide a telephone number and contact name in case we need to contact you regarding your application.

Home telephone number	Work telephone number	Contact name

D Declarations and Acknowledgments

By lodging this form with your cheque you acknowledge and confirm that you have read, understood and agreed to the terms and conditions of the Vet Biotechnology Limited Share Purchase Plan (SPP). Vet Biotechnology Limited may settle in any manner it deems appropriate, any dispute or anomalies which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any applicant or application of shares. The decision of Vet Biotechnology Limited will be conclusive and binding on all persons to whom the determination relates. Vet Biotechnology Limited reserves the right to waive compliance with any provision of the SPP terms and conditions. The Directors reserve the right to withdraw the offer of shares under the SPP, or reduce the amount of shares that may be subscribed for under the SPP in any manner, at any time prior to allotment. Any excess application moneys will be refunded. No interest will be paid on any refunded application money.

NO SIGNATURE IS REQUIRED ON THIS FORM

THIS OFFER IS NON-RENOUNCEABLE

Application Forms and cheques must be received no later than 5.00 pm (Sydney time) on 04 July 2008 at:

MAILING ADDRESS
Azure Group Pty Ltd
Level 12
280 George Street
SYDNEY NSW 2000

DELIVERY ADDRESS
Azure Group Pty Ltd
Level 12
280 George Street
SYDNEY NSW 2000

You should allow sufficient time for this to occur. The postal acceptance rule does not apply to the SPP.