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13 May 2013

The Manager

Companies Announcement Platform

SIM Venture Securities Exchange

Non-Renounceable Rights Issue – Letter to Eligible Shareholders

Dear Sir/Madam,

We advise that Telezon Limited has sent the attached letter to Shareholders today in connection with the non-renounceable Rights Issue announced on 9 May 2013.

Sincerely,

Dr Michelle Carr
Company Secretary
TELEZON LIMITED
03 9763 8605

13 May 2013

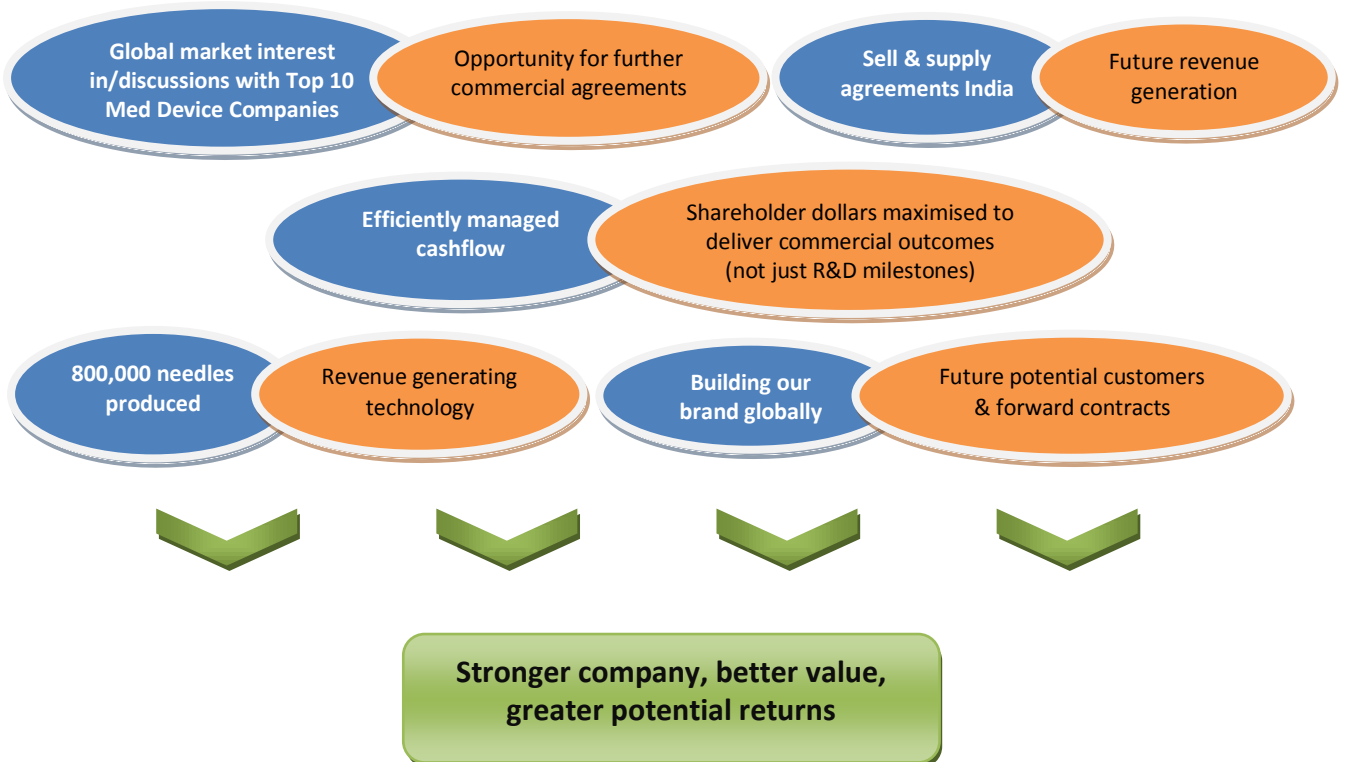
Letter to Shareholders – Non-Renounceable Rights Issue

Dear Telezon Shareholder,

As you may be aware, the Telezon Team has been working hard to build:

- the presence of its existing products such as SoloFlow® needle, as well as
- a strong and commercial-ready pipeline of products and technology for our shareholders and the Company's positive future.

If you haven't had a chance to keep up with the recent news flow, here's what your Telezon team have been doing over the last 12 months, and more importantly, what it means for you as a shareholder.



The Board has successfully commercialised the technology that is and will continue to be instrumental in the successful development of other products in the Company's portfolio, including the DuoDraw® and PolyDermic® needles. The Company needs the support of

Please refer to our website for more detailed information on our products and technology. Telezon is listed on SIM Venture Securities Exchange [www.simvse.com.au] (SIM: TLZ).

Eligible Shareholders via this Rights Issue (announced 9 May 2013 to **Eligible Shareholders**) to bring our next range of products to the market. This, in turn, will:

- help to strengthen Telezon's global presence;
- enable us to commercialise products like the DuoDraw®;
- demonstrate our capability to competitors (continuing to build our commercial appeal); and
- support current and future discussions with global organisations, for the benefit of the Company and its shareholders.

The Board is very excited about Telezon's future, the growing interest of global organisations in our dynamic Company and our demonstrated ability to bring truly innovative and life changing products to the market quickly.

We look forward to sharing the next phase of this journey with you and thank you for your continued support.

For and on behalf of Telezon Limited,

Mr Trevor W. Nye
Chairman
T: 61 03 9763 8605 F: 61 03 9763 2714

Details of the Offer

On 9 May 2013, Telezon Limited (TLZ) announced a 1 for 2 non-renounceable pro rata Rights Issue ("Offer" or "Rights Issue") of up to 23,981,334 fully paid ordinary shares in Telezon. Each New Share (with a free Attaching Option) is being offered at an issue price of \$0.085 to raise up to \$2,038,413 before costs and expenses.

The Record Date for the Offer is 5pm (EST) on 20 May 2013 ("Record Date"). Please note that Telezon's shares will be quoted on an "ex" basis from 14 May 2013, and therefore any shares bought on market on and after this date will not be entitled to participate in the Offer.

Full details of the Offer will be contained in the Offer Document which was lodged with SIM VSE on or before 10 May 2013 and is available for viewing on the SIM VSE website at www.simvse.com.au. A copy of the Offer Document together with a personalised entitlement and acceptance form ("Entitlement and Acceptance Form") will be sent to **Eligible Shareholders** on or around 22 May 2013.

Use of Funds

The funds raised under the Rights Issue will be used by the Company primarily to:

- Accelerate key commercialisation projects such as PolyDermic® Injection Needle, DuoDraw® Transfer and Injection Solution, and SoloFlow® Needle
- Invest in growth and potential expansion of the company through potential future contracts

Summary of key features of the Offer

The Offer is only open to Telezon shareholders (**Eligible Shareholders**) who are registered shareholders on the Company's register of members as a holder of Ordinary Shares at 5.00pm (Eastern Standard Time) on the Record Date with a registered address in Australia or New Zealand.

The Offer will not be made available to other shareholders (**Ineligible Shareholders**).

Under the Offer, **Eligible Shareholders** will be entitled to subscribe for 1 New Share for every 2 existing Telezon shares held at the Record Date at an issue price of \$0.085 per New Share (with one free Attaching Option). Fractions of shares will be rounded up to the nearest whole number.

The Offer will also incorporate a shortfall facility under which Eligible Shareholders can apply to take up additional shares in excess of their pro rata allocation. However, this facility will only be available if there is a shortfall under the Offer i.e. New Shares that have not been subscribed for in the Offer ("Shortfall").

Indicative Timetable

Telezon intends to conduct the Rights Issue according to the following indicative timetable:

Offer announced	9 May 2013
Offer document lodged with SIM VSE (& Appendix 2A/3B)	10 May 2013
Notice of Offer sent to shareholders that Offer document lodged with SIM VSE	13 May 2013
Shares quoted on an "ex" entitlement basis	14 May 2013
Record date to identify security holders entitled to participate in the issue	20 May 2013
Offer document sent to Eligible Shareholders, incl. Entitlement & Acceptance forms	22 May 2013
Offer opens	

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Acceptances close, 5pm (EST)	5 June 2013
Despatch date. Last day for securities to be entered into the holders' security holdings. Last day to confirm to SIM VSE all information required by Appendix 2A/3B	14 June 2013
Shortfall closing date	3 July 2013

This timetable is indicative only and subject to change. Subject to SIM VSE listing rules, the Directors of Telezon Ltd reserve to vary these dates, including the closing date of Offer.

Capital Structure

Following the issue of New Shares, assuming that the maximum number of New Shares is issued under the Offer, Telezon's capital structure will be as follows (excluding the exercise of any unlisted options):

	Shares	Options
Prior to announcement of Offer	47,962,667	1,000,000
After the Offer	71,944,001	24,981,334

It is intended that New Securities issued as a result of entitlements taken up under this Offer will be quoted on the SIM VSE. New Shares will rank equally with existing issue of ordinary shares of the Company.

Before making a decision about whether to subscribe for any of these shares, please carefully read the Rights Issue Offer Document when you receive it. The Offer opens on 22 May 2013 and closes at 5.00pm EST on 5 June 2013. Eligible Shareholders wishing to take up their entitlements to New Shares should complete and return the completed Entitlement and Acceptance Form with a cheque. Alternatively, Eligible Shareholders wishing to take up their entitlement can submit payment via BPAY® where an Entitlement and Acceptance Form does not need to be completed. Eligible Shareholders who do not wish to take up some or all of their entitlements to New Shares need not do anything further.

If you have any queries, please contact the Company's share registry at:

Advanced Share Registry Services Ltd
 (08) 9389 8033

Telezon appreciates the support of its shareholders in advancing Telezon in its commercialisation of its medical technologies.

Yours sincerely,

Dr Michelle Carr
 Company Secretary
TELEZON LIMITED
 03 9763 8605

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