

# RATTOON

## H o l d i n g s L i m i t e d

A.B.N. 16 076 611 268

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10 September 2004

Dear Shareholder,

**Re: Notice Of Intention to Invoke the Provisions of Section 142 of the Constitution of Rattoon Holdings Limited ("Rattoon") to Allow for the Sale of Your Shares**

**Top-Up Facility and Small Holding Sale Facility**

Whilst Rattoon welcomes the support of all its shareholders, there are significant administrative costs in terms of shareholding statements, annual reports and all forms of shareholder communication, irrespective of the size of shareholding. This cost can be disproportionately high when compared with the dollar value of small shareholdings. In addition, investors holding a small number of shares may find it difficult or expensive to dispose of those shares or increase their shareholding to more than an unmarketable parcel.

In order to efficiently manage these costs, Rattoon Holdings Limited ("**Rattoon**") has arranged for the facilities set out below to be available to shareholders who hold an unmarketable parcel of Rattoon shares ("**Small Shareholders**"). There will be no transaction fees payable on either purchase or sale transaction by any shareholder who utilises either of these facilities as Rattoon will pay all brokerage costs and handling charges (including GST).

As at 10 September 2004 ("**Notice Date**") a marketable parcel as defined by the NSX Listing Rules was at least 1,389 shares (representing \$500 in value based upon 36 cents per share).

Please note that:

- **If you wish to retain your Rattoon shares**

You must complete Part s C & D entitled "Notice of Retention of Small Shareholding" of the form which accompanies this letter, and return the form so that it is received by Security Transfer Registrars Pty Ltd no later than 5.00pm (Perth time) on 1 November 2004.

**If you do nothing, your Rattoon shares will be sold on your behalf (as outlined below) and the proceeds of sale will be posted to you.**

- **If you wish to purchase additional shares in Rattoon**

You must complete Parts E and F entitled " Acquire More Shares in Rattoon Holdings Limited " of the form which accompanies this letter and return the form (along with your cheque for \$1,000) so that it is received by Security Transfer Registrars Pty Ltd no later than 5.00pm (Perth time) on 1 November 2004.

**If you choose to participate in the Top-Up Facility, none of your existing Rattoon shares will be sold under the Small Holding Sale Facility.**

The form must be returned to Security Transfer Registrars Pty Ltd at the address listed on the form.

### **Small Holding Sale Facility**

For the reasons set out above, Rattoon will be offering a Small Holding Sale Facility to all Small Shareholders. Under Section 142 of Rattoon's Constitution, Rattoon may give notice to shareholders who hold an unmarketable parcel of Rattoon shares that it intends to sell their shares.

You have an opportunity, however, to inform Rattoon if you wish to retain your shareholding. If you notify Rattoon, Rattoon will not sell your shares. Alternatively, you may elect to make use of the Top-Up Facility, details of which are set out below.

After 1 November 2004, Rattoon will be entitled to sell your shares if you have not advised Rattoon to the contrary. In these circumstances, if you hold your Rattoon shares in a CHESS Holding, Rattoon may, without further notice, move those shares to an Issuer Sponsored Holding or a Certificated Holding for the purposes of sale of those shares.

Importantly, Rattoon will bear the brokerage costs in respect of the sales. Rattoon has appointed Bell Potter Securities Limited ("**Bell Potter**") as broker to arrange for these sales. These sales are expected to take place shortly after 1 November 2004. A cheque for the proceeds (in Australian dollars) will be mailed to you within ten business days after all sales have been completed. As an indicative timeframe, we anticipate that such proceeds would be mailed out no later than the end of November 2004.

Due to the function Bell Potter will perform in relation to the Small Holding Sale Facility, Bell Potter is required under the Corporations Act 2001 (Cth) to provide Small Shareholders with a Financial Services Guide and any updates that may be made to these Financial Services Guides. The Corporations Act 2001 (Cth) provides that a Financial Services Guide and any updates to it, can be provided to an agent and in the manner agreed to by the agent. Rattoon has agreed to act as the agent for Small Shareholders who, by not completing the sections headed "Notice of Retention of Small Shareholding" on the form which accompanies this letter, will have their shares sold. Rattoon, as their agent, will receive the Financial Services Guide and any updates to it and will make the Financial Services Guide and any updates to it, available on its website at [www.rattoon.com.au](http://www.rattoon.com.au).

### **Top-Up Facility**

You also have the opportunity to acquire a further A\$1,000 worth of Rattoon shares.

This Top-Up Facility enables eligible shareholders to purchase additional Rattoon shares without incurring the costs of brokerage relating to the purchase as these costs will be paid

by Rattoon. Rattoon has appointed Bell Potter as broker to arrange purchase under the facility.

You should note that the number of Rattoon shares you acquire will be dependent upon a number of factors, particularly, the price at which the Rattoon shares are purchased.

I encourage you read the documents enclosed with this letter, especially the enclosed Terms and Conditions for further details concerning the facility.

### **Further action**

#### **(i) Small Holding Sale Facility**

If you wish to RETAIN your Rattoon shares, you must complete and return parts C & D entitled "Notice of Retention of Small Shareholding" of the enclosed form and return it in the enclosed envelope so that it is received by Security Transfer Registrars Pty Ltd before 5.00pm (Perth time) on 1 November 2004.

#### **(ii) Top-Up Facility**

If you wish to purchase additional Rattoon shares through the Top-Up Facility you must complete and return parts E & F entitled "Acquire More Shares in Rattoon Holdings Limited" of the enclosed form and a cheque made payable to "*Rattoon Holdings Limited – Share Account*" for A\$1,000, so that they are received by Security Transfer Registrars Pty Ltd by no later than 5.00pm (Perth time) on 1 November 2004.

If you chose to participate in the Top-Up Facility, none of your existing Rattoon shares will be sold under the Small Holding Sale Facility.

***If you do nothing by 1 November 2004 your Rattoon shares will be sold.***

### **Important notes**

#### *Taxation*

Please consult your financial adviser if you wish to understand the possible taxation implications from participating in the Top-Up Facility or the Small Holding Sale Facility.

#### *Financial Advice*

Please read the attached Terms & Conditions carefully as they contain important information. Neither Rattoon, Security Transfer Registrars Pty Ltd nor Bell Potter makes any recommendation to you regarding whether to participate in the Top-Up Facility, or to sell or retain your shares under the Small Holding Sale Facility.

If you are in doubt about whether to participate in either facility, you should consult your financial adviser.

*General Queries*

If you have any questions regarding how the Top-Up Facility or the Small Shareholding Sale Facility works, please contact the Security Transfer Registrars Pty Ltd Call Centre on (08) 9315 0933.

Finally, if you have multiple holdings in Rattoon and you would like to consolidate them, please contact Security Transfer Registrars Pty Ltd on (08) 9315 0933. Security Transfer Registrars Pty Ltd will advise you how to consolidate your holdings.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Matthew Jackson', with a stylized, flowing script.

**Matthew Jackson**  
Company Secretary

## **Terms and Conditions – Top-Up Facility**

### **1. Terms of Participation**

1.1 All persons (**Eligible Shareholders**) who hold A\$500 or less worth of ordinary shares (**Shares**) in Rattoon Holdings Limited (ABN 16 076 611 268) (**RTN**) calculated by reference to the RTN share price as at 5.00 pm (Perth time) on 10 September 2004 and have a registered address in Australia are entitled to participate in the top-up facility (**Top-Up Facility**) described in these terms and conditions (**Terms and Conditions**). Participation in the Top-Up Facility is voluntary. Applications to participate must be made by completing Parts E and F entitled "Acquire More Shares in Rattoon Holdings Limited" on the form enclosed with these Terms and Conditions (**'Form'**).

1.2 An Eligible Shareholder who elects to participate in the Top-Up Facility (**Participating Shareholder**) does so on the basis of completing Parts E and F entitled "Acquire More Shares in Rattoon Holdings Limited" on the Form, these Terms and Conditions and any associated documents provided or made available by RTN to Eligible Shareholders (**Facility Documents**). Participation is also on the basis that a Participating Shareholder may only elect to purchase A\$1,000 worth of Shares under the Top-Up Facility.

1.3 An Eligible Shareholder can only participate in either the Top-Up Facility or the Small Holding Sale Facility. If an Eligible Shareholder attempts to participate in more than one of the facilities, only the first valid instruction received will be acted upon or, if separate valid instructions are received at the same time, only the instructions under the Top-Up Facility will be acted upon.

1.4 A Participating Shareholder will not be liable to pay any brokerage or handling fees for the purchase of Shares under the Top-Up Facility.

### **2. Offer Period**

2.1 The Top-Up Facility will operate from 10 September 2004 to 1 November 2004 or for such shorter or longer period as may be determined by RTN (**Offer Period**). RTN reserves the right, on behalf of Bell Potter Securities Limited (ABN 25 006 390 772) (**Broker**) and for any reason, to modify the timetable for, or to terminate or suspend (for any period of time), the Top-Up Facility in its sole discretion. Any extension or shortening of the Offer Period, or suspension or termination of the Top-Up Facility, will be announced to the Newcastle Stock Exchange (**NSX**) and on its website ([www.rattoon.com.au](http://www.rattoon.com.au)), as soon as practicable by RTN.

### **3. Roles of Security Transfer Registrars Pty Ltd and the Broker**

3.1 Each Participating Shareholder irrevocably appoints the Broker as execution-only broker to purchase Shares on behalf of the Participating Shareholder in accordance with the Facility Documents. The Broker is the holder of Australian financial services licence number 243480. Instructions from Participating Shareholders will be taken to be provided to the Broker at the time that Security Transfer Registrars Pty Limited (ABN 95 008 894 488) advises the Broker of the total number of Shares to be purchased under the Top-Up Facility. RTN will pay brokerage (and any applicable Australian GST) to the

Broker in relation to the purchase of Shares through the Top-Up Facility.

3.2 **The Broker's appointment as 'execution-only' broker means that the Broker is not, nor are RTN or Security Transfer Registrars Pty Ltd, giving, nor are any of them obliged to give, any advice to any Eligible Shareholder. The Facility Documents do not constitute advice or a recommendation by any of the above to buy, sell or hold securities in RTN, nor that the Top-Up Facility or any other facility is the best way to buy Shares.** Accordingly, before electing to participate in the Top-Up Facility an Eligible Shareholder should ensure that the Top-Up Facility meets the Eligible Shareholder's own objectives, financial situation and needs. Any Eligible Shareholder unsure of what action to take should consult a licensed financial adviser.

3.3 Security Transfer Registrars Pty Ltd will assist in the administration of the Top-Up Facility, including by processing "Acquire More Shares in Rattoon Holdings Limited" received by it, communicating with Eligible Shareholders, collating and advising the Broker of Shares to be purchased under the Top-Up Facility and liaising with the Broker in relation to purchases of Shares, banking cheques, and issuing transaction confirmation statements. RTN will pay any handling fees (and any applicable Australian GST) to Security Transfer Registrars Pty Ltd in respect of its role in the Top-Up Facility.

3.4 Each of the Broker and RTN is irrevocably authorised by each Participating Shareholder to do all things and execute all documents (including to effect any holding adjustment, securities transformation or other transmission or transaction in relation to Shares purchased for a Participating Shareholder under the Top-Up Facility, and whether personally or, where practicable, through an agent) to facilitate the purchase of the relevant Shares by the Broker as broker under the Top-Up Facility.

3.5 Due to the function Bell Potter will perform in relation to the Top-Up Facility, Bell Potter is required under the Corporations Act 2001 (Cth) to provide Participating Shareholders with a Financial Services Guide and any updates that may be made to these Financial Services Guides. The Corporations Act 2001 (Cth) provides that a Financial Services Guide and any updates to it, can be provided to an agent and in the manner agreed to by the agent. RTN has agreed to act as the agent for Participating Shareholders who, by completing the sections headed "Acquire More Shares in Rattoon Holdings Limited" on the Form, will have shares purchased on their behalf. RTN, as their agent, will receive the Financial Services Guide and any updates to it and will make the Financial Services Guide and any updates to it, available on its website at: [www.rattoon.com.au](http://www.rattoon.com.au).

### **4. 'Acquire More Shares in Rattoon Holdings Limiteds'**

4.1 To participate in the Top-Up Facility, an Eligible Shareholder must complete Parts E & F entitled "Acquire More Shares in Rattoon Holdings Limited" on the Form in accordance with the instructions on it and return it to Security Transfer Registrars Pty Ltd at an address shown on the Form, together with an Australian dollar cheque for the amount of A\$1,000 made payable to "Rattoon Holdings Limited - Share Account". The Form and cheque must be received by Security Transfer Registrars Pty Ltd at an

address shown on the Form by 5.00 pm (Perth time) on the last day of the Offer Period or sooner.

4.2 RTN may, in its sole discretion, at any time determine that a Form is valid in accordance with the Facility Documents, even if Parts E and F entitled "Acquire More Shares in Rattoon Holdings Limited" on the Form are incomplete, contain errors or is otherwise defective or is received after the end of the Offer Period. RTN (or any agent of RTN acting on its instructions) may correct any error in or omission from a Form and complete the Form by the insertion of any missing details. Notwithstanding anything to the contrary in these Terms and Conditions, none of RTN, Security Transfer Registrars Pty Ltd or the Broker is under any obligation to accept any Form, whether completed correctly or not, and in particular none of the above is under any obligation to act on any Form where a cheque for A\$1,000 has not been provided by the Eligible Shareholder, or is not denominated in Australian dollars and drawn on an Australian bank or an Australian branch of a foreign bank, or is not honoured on presentation.

## 5. Purchases of Shares

**5.1 RTN will establish and maintain an account called the ("Rattoon Holdings Limited –Share Account") for the purposes of the Top-Up Facility, into which Security Transfer Registrars Pty Ltd will deposit cheques received from Participating Shareholders and from which the required amounts will be remitted to the Broker for the settlement of purchases of Shares under the Top-Up Facility.**

5.2 Purchases of Shares under the Top-Up Facility will be made by the Broker placing one or more orders to buy Shares on NSX in the ordinary course of business (including, in the Broker's sole discretion, by crossings). The Shares bought may therefore be purchased by multiple trades at multiple prices and on multiple days.

5.3 The Broker may, in its sole discretion, purchase Shares for a Participating Shareholder at any time during the period commencing when the relevant Form is processed by Security Transfer Registrars Pty Ltd and ending on the date that is 1 month after the end of the Offer Period.

5.4 The price (**Top-Up Price**) at which each Share will be purchased for a Participating Shareholder through the Top-Up Facility will be the volume weighted average price achieved by the Broker for the purchase of all Shares purchased by the Broker through the Top-Up Facility. The Top-up Price will be calculated by the Broker and may not be challenged in the absence of manifest error.

**5.5 Participating Shareholders should note that they will not have control over the time of the purchase of their Shares, and therefore will not be able to personally ensure that the purchase occurs at a certain price. The Top-Up Price will depend upon the market conditions prevailing at the time of the purchase and may be different to the price for Shares appearing in the newspaper or quoted by NSX on the day that a Participating Shareholder's Form is sent or on any other day, and may not be the best execution price on the trading day or trading days that the Participating Shareholder's Shares are purchased. The Shares purchased for different Participating Shareholders under the Top-Up Facility may be**

**purchased at different Top-Up Prices.** None of RTN, Security Transfer Registrars Pty Ltd, the Broker nor any other person will on any account be liable, and a Participating Shareholder may not bring any claim or action against them, for not having purchased Shares at any specific price or on any specific date.

5.6 The number of Shares purchased for a Participating Shareholder through the Top-Up Facility will be calculated on the basis of the amount of A\$1,000 being divided by the Top-up Price, rounded down to the nearest whole number of Shares. Participating Shareholders will not have any entitlement to any residual Shares remaining following such rounding. If, after execution of a Participating Shareholder's purchase order under the Top-Up Facility, any amount remains of the amount provided by the Participating Shareholder for the purposes of the Top-Up Facility which was insufficient to purchase a Share, then that amount remaining will vest in RTN. RTN will donate all such amounts to (a nominated charity).

## 6. Confirmation

6.1 Security Transfer Registrars Pty Ltd will notify each Participating Shareholder, by way of a transaction confirmation statement issued on behalf of the Broker and sent to the relevant Participating Shareholder's address as shown on the RTN share register, of the number of Shares purchased for that Participating Shareholder through the Top-Up Facility and the Top-Up Price for those Shares, within 10 business days after settlement of the purchase of the last Share under the Top-Up Facility.

## 7. Warranties and Acknowledgements

7.1 By signing and returning a Form a Participating Shareholder will, or will be deemed to:

(a) acknowledge that the Participating Shareholder has read, and agrees to, the terms and conditions of the Facility Documents;

(b) acknowledge that the Participating Shareholder is irrevocably bound to purchase the relevant amount of Shares through the Top-Up Facility at the Top-up Price, and otherwise in accordance with the Facility Documents;

(c) warrant that the Participating Shareholder has not participated in the Small Holding Sale Facility which has been made available to the Participating Shareholder in conjunction with the Top-Up Facility, and has not previously participated in the Top-Up Facility;

(d) acknowledge that none of RTN, Security Transfer Registrars Pty Ltd, the Broker nor any other party involved in the Top-Up Facility has any liability to the Participating Shareholder other than for the provision of the Shares purchased for the Participating Shareholder in accordance with these Terms and Conditions;

(e) acknowledge that neither RTN nor the Broker nor any other party involved in the Top-Up Facility has provided the Participating Shareholder with any investment advice or made any securities recommendations, nor has any obligation to provide such advice or make any such recommendations, concerning the Participating Shareholder's decision to purchase Shares, and that the Participating Shareholder has made its own decision to purchase Shares through the Top-Up Facility based on its consideration of its own objectives, financial situation and

needs and its own investigations of the affairs of RTN and its own analysis of the Facility Documents;

(f) acknowledge that if the Participating Shareholder's cheque is not honoured on presentation, Security Transfer Registrars Pty Ltd or the Broker may place a holding lock (or similar) on, and cause to be sold, any Shares purchased for the Participating Shareholder through the Top-Up Facility and the Participating Shareholder must pay all costs and losses incurred as a result;

Top-Up Facility and the Participating Shareholder must pay all costs and losses incurred as a result.

**(g) appoint RTN as the Participating Shareholder's agent to receive any notice (including a Financial Services Guide and any update of that document) that the Broker is required to provide under the Corporations Act. Any such document will be made available on RTN's website ([www.rattoon.com.au](http://www.rattoon.com.au)); and**

(h) acknowledge that the Facility Documents are governed by the laws in force in Victoria.