



LETTER TO OPTIONHOLDERS

26 November, 2014

Dear Optionholder

NON-RENOUCEABLE PRO-RATA ENTITLEMENT OFFER

On November 24 2014, Altech Chemicals Limited (Altech/the Company) (ASX: ATC) announced the launch of a non-renounceable pro-rata entitlement offer on the basis of one (1) new ATC share (**Share**) at \$0.10 for each four (4) Shares held by eligible shareholders registered on 1 December 2014 at 5.00pm WST (**Record Date**), with one (1) free attaching option (**Attaching Option**) for every new Share issued, with each Option having an exercise price of \$0.10 and expiring 15 December 2015, to raise approximately \$2,693,963 before costs (**Entitlement Offer**).

The Entitlement Offer is made pursuant to a prospectus lodged with the Australian Securities and Investments Commission (**ASIC**) on 24 November 2014 (**Prospectus**) and released to the Australian Securities Exchange (**ASX**) on the same date. The Prospectus is available on the Company's website: www.altechchemicals.com or on the ASX website: www.asx.com.au.

A full copy of the Prospectus will be mailed on or about 2 December 2014 to all ATC Shareholders with a registered address in Australia or New Zealand at the Record Date above (**Eligible Shareholders**). Eligible Shareholders who accept their entitlement in full will have the opportunity to apply for additional Shares under the Shortfall facility as per the Prospectus.

Participation in the Entitlement Offer

Existing options must be exercised prior to the Record Date to be eligible for participation in the Entitlement Offer.

You will need to check that your options are currently exercisable under the terms of your granted options and exercise your options into shares, for these securities to be eligible for participation in the Entitlement Offer.

Before exercising your options, you are encouraged to consult your professional adviser. Relevant factors that you may wish to consider when deciding whether to exercise your options include:

- The current trading price of Company shares relative to the exercise price of your options;
- The Entitlement Offer does not in any way change the terms of your options;
- If your address is outside of Australia or New Zealand any shares you acquire as a result of exercising your options will not be eligible to participate in the Entitlement Offer.

Details of the Entitlement Offer are set out in the Company's announcement dated 24 November 2014 and the Prospectus that was lodged with the ASX on that date.

Application to participate in the Shortfall facility

It is possible that due to some Eligible Shareholders not subscribing to their full Entitlement under the Entitlement Offer, that there will be a shortfall of applications, and some Shares (each with an Attaching Option) will be available to applicants who wish to apply for the Shortfall facility under the Prospectus.

All current and previous holders of options to acquire Shares of the Company with a registered address in Australia or New Zealand will be mailed a copy of the Prospectus and a Shortfall application form on or about 2 December 2014. Optionholders who wish to participate in the Shortfall facility are able to make an application by completing the Shortfall application form and returning this form, with payment for the application by the Closing Date.

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

Event	Date*
Announcement of Entitlement Offer and Appendix 3B lodged with ASX	24 November 2014
Prospectus lodged at ASIC and ASX	24 November 2014
Notices despatched to Shareholders and Optionholders	26 November 2014
ATC Shares trade on an 'ex' Entitlement basis	27 November 2014
Record Date for eligibility to participate in the Entitlement Offer	1 December 2014 at 5.00pm WST time
Prospectus & Entitlement and Acceptance Form despatched to Shareholders	2 December 2014
Prospectus, Notice & Shortfall Application Form despatched to Optionholders	2 December 2014
Opening Date for the Entitlement Offer	2 December 2014
Last day to extend the Closing Date for the Entitlement Offer	10 December 2014
Closing Date for the Entitlement Offer	15 December 2014 at 5.00pm WST time
Securities quoted on a deferred settlement basis	16 December 2014
Notify ASX of under-subscriptions	18 December 2014
Despatch of new holding statements for New Shares issued under the Entitlement Offer	19 December 2014
Allotment of New Shares issued under the Entitlement Offer and deferred settlement trading ends	22 December 2014
Normal ASX trading for New Shares commences	22 December 2014

* *Note: These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice, subject to the Listing Rules.*

** *Note: The Directors may extend the Closing Date by giving at least three Business Days' notice to ASX prior to the Closing Date. As such, the date the Shares are expected to commence trading on ASX may vary.*

If you have any queries concerning your entitlement or participation in the Entitlement Offer, please do not hesitate to contact the Company between 8:30am and 5.00pm (WST) on telephone 08 9389 5557, your stockbroker or other professional adviser.

Yours faithfully

Altech Chemicals Limited



Shane Volk
Company Secretary