



14 February 2011

Dear Option Holder

Entitlement Offer

Engenco Limited ABN 99 120 432 144 ("**Company**") announced today that it would be undertaking a fully underwritten pro-rata non-renounceable entitlement offer of fully paid ordinary shares. The entitlement offer will be made without disclosure to investors, pursuant to section 708AA of the Corporations Act 2001 (Cwlth). The Company expects that the entitlement offer will close on 11 March 2011.

The entitlement offer is open only to eligible shareholders with registered addresses in Australia and New Zealand as at the record date of 5.00pm (WST) on Wednesday, 23 February 2011. The entitlement offer is being undertaken on the basis of eight new shares for every nine shares held (8:9), at an issue price of \$0.12 per new share, to raise approximately \$65.3 million before costs.

The ASX Listing Rules require the Company to notify you of your right to participate in an entitlement offer of shares and the record date for the entitlement offer.

Your options do not entitle you to participate in the entitlement offer. To participate in the entitlement offer in respect of your options you would need to exercise your options (if vested) and be entered onto the Company's share register as a shareholder on or before the record date of 5.00pm (WST) on Wednesday, 23 February 2011.

Given the exercise price of your options, the Company suggests that you seek financial advice before exercising any of your options.

If you wish to discuss any of the above matters, please contact me.

Yours faithfully,

A handwritten signature in black ink, appearing to read "R. Stampalia".

Roland Stampalia
Chief Financial Officer/Company Secretary
ENGENCO LIMITED