



9 August 2013

Dear Shareholder

INVITATION TO PARTICIPATE IN SHARE PURCHASE PLAN

Eco Quest Limited is pleased to offer you the opportunity to increase your investment in the Company through the approved Share Purchase Plan (**Plan**).

Proceeds raised through the Plan will principally be used to provide general working capital, to assist in funding the Company's current activities and cover the Company's costs of re-compliance should the Cynata option be exercised (as announced on the ASX on 12 July 2013).

The Offer

The Plan is offered exclusively to all shareholders who are recorded on the Company's share register at 5pm (WST) on 31 July 2013 (**Record Date**).

It provides shareholders with an opportunity to buy a parcel of new shares in the Company with no brokerage or commission costs, irrespective of the size of their shareholding, up to a maximum value of \$5,000.

The issue price of each share under the Plan is \$0.01, which represents a 31.5% discount to the average market price of the Company's shares on the ASX calculated over the five trading days prior to the Record Date. The market price of shares in the Company may rise or fall between the date of this offer and the date that new shares are issued to you under the Plan.

The issue of shares under the Plan will be limited to 45,750,000 new ordinary fully paid shares (8.6% of the issued capital of the Company), and will not be underwritten.

Participation in the Plan is optional and the right to participate is not transferable. The offer to participate in the Plan closes at 5.00pm (WST) on 30 August 2013.

Full details on the Plan and how to participate are contained in the documents attached. To apply for a parcel of shares please read these documents carefully and follow the instructions on the enclosed personalised application form.

Your continuing support as a shareholder of Eco Quest Limited is appreciated.

Yours sincerely

A handwritten signature in blue ink, appearing to read "S. Washer".

Stewart Washer
Executive Chairman

THE OFFER AT A GLANCE

Key Dates*

| Date | Details |
|-------------------|--|
| 31 July 2013 | Record Date 5pm (WST) The date on which the Company determined eligible shareholders. |
| 9 August 2013 | Opening Date The date the Plan opens. |
| 30 August 2013 | Closing Date The date on which the Plan closes. Applications and payments or BPAY must be received by 5pm (WST). |
| 4 September 2013 | Allotment Date The date shares are allotted and any scale back of the shares to be issued under the Plan is announced. |
| 9 September 2013 | Despatch Date The date on which holding statements are sent to shareholders. |
| 10 September 2013 | Share Trading Date The date on which it is expected that shares will commence trading on the ASX. |

**Eco Quest Limited has the discretion and reserves the right to alter key dates.*

Offer Details

| Item | Detail |
|-----------------------------------|--|
| Issue Price | \$0.01 per share which represents 31.5% discount to the average market price of the Company's shares on the ASX calculated over the 5 trading days prior to the Record Date. |
| Minimum Application Amount | The minimum application amount is \$2,500 (250,000 shares) |
| Maximum Application Amount | The maximum application amount is \$5,000 (500,000 shares). |
| Permitted Application Amounts | Each shareholder is entitled to purchase share parcels valued at either of \$2,500 (250,000 shares) or \$5,000 (500,000 shares). |
| Maximum Amount Raised by the plan | \$300,000 with the Company reserving the right to take over-subscriptions of up to a further \$157,500. |
| Scale Back | The Company reserves the right to scale back applications under the Plan in its absolute discretion. In scaling participation in the Plan the Company will ensure that all participating shareholders hold at least a marketable parcel on completion of the offer under the Plan. |

Questions and Answers

1. What is the Share Purchase Plan?

The Share Purchase Plan (**Plan**) is an opportunity for eligible shareholders to purchase additional ordinary shares in the Company up to a maximum of \$5,000 (500,000 shares) at a discount to the market price without brokerage and commission costs.

All shares issued to you under the Plan will rank equally with your existing shares and will carry the same voting rights and other entitlements.

2. Who is eligible to participate in the Plan?

Participation in the Plan is open to each person registered as a holder of ordinary shares in the Company on the Record Date, who has an address in Australia or New Zealand.

3. What is the Issue Price of the Shares?

The issue price of each share issued under the Plan is \$0.01, which represents 31.5% discount to the average market price of the Company's shares on the ASX calculated over the five trading days prior to the Record Date.

The market price of shares in the Company may rise or fall between the date of this offer and the date that shares are issued to you under the Plan. This means that the issue price you pay for the shares may be greater than or less than the market price of the shares at the date of allotment of the shares under the Plan.

4. How many Shares can I apply for under the Plan?

Regardless of the shares you currently own, you are entitled to apply for a parcel of shares in the Company valued at \$2,500 (250,000 shares) or \$5,000 (500,000 shares). You may only apply for one of these parcels.

If you hold shares in more than one capacity (for example you are both a joint holder and a sole holder), the maximum amount you can apply for under the Plan in all capacities is \$5,000 (500,000 shares).

By applying to purchase shares under the Plan, you will have agreed to be bound by the terms and conditions of the Plan as set out in this offer document.

5. How do I apply for Shares under the Plan?

If you wish to participate in the Plan, please follow the instructions set out on the enclosed personalised application form and send this form together with your cheque or money order made payable to "Eco Quest Limited" to:

by post to

Eco Quest Limited
c/- Security Transfer Registrars Pty Ltd
PO Box535
Applecross WA 6953

or deliver to

Eco Quest Limited
c/-Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

Alternatively you can make a BPAY payment as shown on the application form. If you make a BPAY payment, you do not need to return the application form. By making a BPAY payment you are giving the Company the certification contained on the application form. Please note that New Zealand shareholders are not able to make a BPAY payment.

If you wish to participate you should ensure that your **application form and payment is received by no later than 5pm (WST) on 30 August 2013.**

Please allow adequate time for mail deliveries.

You will not be able to withdraw or revoke your application once you have sent us the completed application form and payment.

6. How long is the Plan offer open for?

The Plan opens on 9 August 2013 and is expected to close on 30 August 2013.

If you wish to participate you should ensure that your **application form and payment is received by no later than 5pm (WST) on 30 August 2013.**

7. Do I have to participate in the Plan?

Participation in the Plan is voluntary.

Before you apply for shares we recommend you seek independent financial advice from your professional advisor or stockbroker.

8. Further assistance

If you have any questions in relation to the Plan please contact your professional advisor or stockbroker.

If you require information on how to complete the application form please contact the Company's share registry on (08) 9315 2333.

Eco Quest Limited - Share Purchase Plan

Terms and Conditions

This document sets out the terms and conditions of the offer under the Share Purchase Plan.

Description of the Plan

Pursuant to the Share Purchase Plan (**Plan**) Eco Quest Limited (**Company**) is offering its shareholders the opportunity to acquire additional fully paid ordinary shares in the Company up to a maximum value of \$5,000 at a discount to the market price of the Company's shares on the Australian Securities Exchange (**ASX**) without the need to pay brokerage or commission costs and without the need for the Company to issue a Prospectus, upon such terms and conditions as the Board of the Company in its absolute discretion sees fit.

Shareholders Eligibility to Participate

Participation in the Plan is open to each person registered as a holder of ordinary shares in the Company on 31 July 2013 (**Record Date**), who has an address in Australia or New Zealand (**Eligible Shareholders**).

Due to foreign security laws, it is not practical for shareholders who are resident in other countries to participate under the Plan.

Participation in the Plan is optional and is subject to these terms and conditions. Offers made under the Plan are non-renounceable.

Joint shareholders are taken to be a single registered holder for the purpose of the Plan, and the joint holders are entitled to participate in the Plan in respect of that single holding only. If the same holder or joint holders receive more than one offer under the Plan (for example if a holder has more than one holding under separate accounts), that holder or those joint holders may only apply for an aggregate maximum parcel of shares between any joint or individual holdings.

Trustees and nominees are able to apply for one maximum parcel of shares under the Plan for each beneficiary that is expressly noted on the Company's share register as a trustee or nominee for a named beneficiary. If the Company's share register does not record a named beneficiary in respect of the trustee or nominee holding, or the shares are held by a custodian, the trustee, nominee or custodian must give the Company a certification which complies with Class Order 09/455 if it wishes to apply for shares on behalf of multiple

beneficiaries under the Plan. Please contact the Company to obtain a copy of this certification required.

By electing to participate in the Plan, the shareholder shall be deemed to have certified to the Company that in respect of that shareholder, at the time of the application, the total price does not exceed \$15,000 for:

- shares the subject of the application under the Plan;
- any other shares applied for under the Plan or any other shares issued under any similar arrangement in the 12 months before the application under the Plan;
- any other shares that the shareholder has instructed a custodian to acquire on their behalf under the Plan or that have been issued to a custodian under an arrangement similar to the Plan in the 12 months before the application under the Plan on the instruction of the shareholder and that are held beneficially by the shareholder.

Furthermore shareholders will be deemed to have confirmed, in relation to all shares applied for by them under the Plan, that they do not make application for any other person in circumstances which might involve any breach of securities law of any jurisdiction other than Australia and New Zealand and have agreed to be bound by the Company's Constitution in respect of all the shares issued to them under the Plan.

Issue Price

The issue price of each share issued under the Plan is \$0.01 which represents a 31.5% discount to the average market price of the Company's shares on the ASX calculated over the five trading days prior to the Record Date.

The market price of shares in the Company may rise or fall between the date of this offer and the date that new shares are issued to you. This means that the issue price that you pay for the shares may be greater than or less than the market price of the shares at the date of allotment of the shares under the Plan. Accordingly, you should seek your own financial advice in relation to this offer.

Application and Notices

At the discretion of the directors of the Company, Eligible Shareholders will be sent a letter of offer, terms and conditions and an application form, inviting them to subscribe for shares under the Plan.

Eligible Shareholders may apply to purchase a parcel of shares under the Plan valued at \$2,500 (250,000 shares) or \$5,000 (500,000 shares).

If you wish to participate in the Plan you must complete the attached personalised application form and provide payment in accordance with the instructions set out on the application form. Alternatively, you may pay electronically using BPAY and quote your reference number that has been provided on the personalised application form, in which case you do not need to return the application form.

Applications will not be accepted after 30 August 2013.

The Company reserves the right to reject any application where it believes there is non-compliance with this rule or any other terms or conditions of the Plan.

Applications and payments may not be withdrawn once the Company has received them. Oversubscriptions or refunds of other application monies in any circumstances will be without interest.

By returning the application form or by making the BPAY payment you are giving the Company the certifications in these terms and conditions and the application form.

Scale back

The Company does not intend to issue more than 45,750,000 ordinary shares under the Plan (being the offer of 30,000,000 ordinary shares and over-subscriptions of 15,750,000 ordinary shares). If applications for more than 45,750,000 shares are received, the Company may, in its absolute discretion, undertake a scale back to the extent and in the manner it sees fit and a shareholder may be issued a lesser number of Shares than applied for. Any scale back will be announced on 4 September 2013 (**Allotment Date**). In scaling participation in the Plan the Company will ensure that all participating shareholders hold at least a marketable parcel on completion of the offer under the Plan. If the Company scales-back an application or purported application, the Company will promptly

return to the shareholder, the relevant application monies, without interest.

Underwriting

The Plan is not underwritten.

Shares Issued under the Plan

Shares issued under the Plan will rank equally in all respects with all other ordinary fully paid shares in the Company from the date of issue.

Shareholder holding statements and/or CHES notification will be issued in respect of all shares.

After the issue of shares under the Plan, the Company will make application for these shares to be listed for quotation on the official list of the ASX.

Modification and Termination of the Plan

The Company may modify or terminate the Plan at any time.

The Company will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Dispute Resolution

The Company may settle in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the Plan, whether generally or in relation to any participant or application, and the decision of the Company will be conclusive and binding on all participants and other persons to whom the determination relates.

The Company reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of the Company under these conditions may be exercised by the directors of the Company or any delegate of the directors of the Company.

Contact Details

If you have any questions regarding the Plan or how to deal with this offer, please contact your professional advisor or stockbroker.

If you require information on how to complete the application form please contact the Company's share register on (08) 9315 2333.