

28 November 2008

Manager of Company Announcements  
ASX Limited  
Riverside Centre  
Level 5, 123 Eagle Street  
Brisbane QLD 4000

### **Non-renounceable Rights Issue**

We enclose a letter regarding Wide Bay Australia Ltd's (**Company**) non-renounceable rights issue dated 28 November 2008 which is being sent today to all shareholders of the Company.

Yours sincerely,



Bill Schafer  
Company Secretary

28 November 2008

Dear Shareholder

### **Non-renounceable Rights Issue**

On 26 November 2008, Wide Bay Australia Ltd (**Company**) announced that it would undertake a non-underwritten non-renounceable rights issue of 1 new ordinary share in the Company (**New Shares**) for every 12 existing fully paid ordinary shares in the Company (**Shares**) held as at 7.00pm AEDT on the record date of 5 December 2008 (**Record Date**) by shareholders with a registered address in Australia or New Zealand (or any other jurisdictions in which it is decided to make offers), at an issue price of A\$6.25 per New Share to raise approximately A\$15.3 million (**Offer**).

The summary of the Offer dated 26 November 2008 (**Offer Summary**) has been lodged with the Australian Securities Exchange (**ASX**) may be viewed at [www.widebayaust.com.au](http://www.widebayaust.com.au) or [www.asx.com.au](http://www.asx.com.au).

It is anticipated that Eligible Shareholders (defined below) will be posted a hard copy of the Offer Summary along with a personalised Entitlement and Acceptance Form on or about 9 December 2008.

### **Offer overview**

The Offer is being made to all holders of ordinary Shares in the Company as at the Record Date who have registered addresses in Australia or New Zealand (**Eligible Shareholders**). Shareholders who are not eligible to participate in the Offer will be sent a letter from the Company explaining how their entitlements will be dealt with in accordance with the requirements of the ASX Listing Rules.

The Offer provides Eligible Shareholders with the right to subscribe for 1 New Share for every 12 Shares held on the Record Date at an issue price of A\$6.25 per New Share. This represents a discount of 10.7% to the closing price of the Company's shares on 26 November 2008 of A\$7.00, a 10.0% discount to the theoretical ex-rights price of A\$6.94 and a 8.4% discount to the five day volume weighted average price that the Company's Shares traded on the ASX over the five days up to and including the formal announcement of the Offer on Wednesday 26 November 2008, being A\$6.83.

The maximum number of New Shares which may be issued under the Offer will be approximately 2.5 million. If the maximum number of New Shares are issued, the gross proceeds of the Offer will be approximately A\$15.3 million.

### **Use of proceeds**

The funds raised under the Offer will be used primarily to:

- partially replace lower Tier 2 subordinated debt being repaid in December 2008;
- strengthen the Company's Tier 1 capital ratio; and
- provide Tier 1 capital to support the Company's growth plans for the next 12-18 months.

**NOT FOR DISTRIBUTION IN THE UNITED STATES:** This notice does not constitute an offer to sell securities in the U.S. Neither the entitlements nor the New Shares have been or will be registered under the Securities Act of 1933, and may not be offered or sold in the U.S. or to, or for the account or benefit of, U.S. persons absent registration or an exemption from registration.

**IMPORTANT NOTICE TO NOMINEES:** Because of legal restrictions, you must not send copies of this letter or any material relating to the Offer to any of your clients (or any other person) in the U.S. or who are "U.S. persons" and on whose behalf you are the registered owner of shares. Failure to comply with these restrictions may result in violations of applicable securities laws.

### **Indicative timetable**

An indicative timetable for the Offer is set out below:

Announcement of the Offer	26 November 2008
Shares trade 'ex-Rights'	1 December 2008
Record Date to determine entitlements to Rights	5 December 2008
Anticipated despatch of Offer Summary and Entitlement and Acceptance Forms	9 December 2008
Offer Opening Date	9 December 2008
Offer Closing Date and last day for lodgement of Entitlement and Acceptance Forms and payment in full	23 December 2008
Expected date for despatch of holding statements	31 December 2008
Expected date for commencement of trading of New Shares on the ASX	2 January 2009

### **Actions by Eligible Shareholders**

All Eligible Shareholders will have an equal opportunity to participate in the Offer. Eligible Shareholders may:

- take up all of their entitlement to New Shares;
- take up part of their entitlement to New Shares and allow the balance to lapse; or
- do nothing and allow all of their entitlement to New Shares lapse.

Eligible Shareholders should refer to section 5 of the Offer Summary and the Entitlement and Acceptance Form to determine how to participate in the Offer.

If you are an Eligible Shareholder, and you wish to subscribe for some or all of the New Shares making up your entitlement, you must return your completed Entitlement and Acceptance Form together with your application monies before 5.00pm AEDT on the closing date, being Tuesday, 23 December 2008.

### **Offer Summary and Entitlement and Acceptance Form**

Details of the Offer are set out in the Offer Summary. Eligible Shareholders are encouraged to read the Offer Summary in full and to contact their professional adviser if they are in any doubt as to how to deal with the Offer.

Should you have any questions, please contact your professional adviser or the Company Secretary on +61 7 4150 4075.

Yours sincerely,



John Pressler  
Chairman

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