



13 November 2014

Dear Optionholder

ImpediMed Limited Entitlement Offer – notice to option holders

This letter is to notify you that ImpediMed Limited (ABN 65 089 705 144) (ASX: IPD) (**ImpediMed** or the **Company**) today announces a fully underwritten, non-renounceable pro rata entitlement offer of up to approximately 55 million new fully paid ordinary shares in the Company (**New Shares**), at an issue price of \$0.60 per New Share (**Issue Price**), to raise up to approximately \$33 million (before costs and expenses) (**Entitlement Offer**).

Under the Entitlement Offer, shareholders of the Company (**Shareholders**) who will be eligible to participate in the Entitlement Offer and described below (**Eligible Shareholders**) have the opportunity to subscribe for 3 New Shares for every 13 fully paid ordinary shares in the Company (**Shares**) of which they are the registered holder as at 7.00pm (AEDT) on 19 November 2014 (**Record Date**). The actual amount to be raised and the actual number of New Shares to be issued will depend on the shareholdings of Eligible Shareholders as at the Record Date. The Entitlement Offer is non-renounceable.

As an option holder you are not entitled to participate in the Entitlement Offer in respect of the options you hold. The purpose of this letter is to give you notice of the Record Date.

For you to participate in the Entitlement Offer, you must exercise any options (subject to the terms of the options) and be registered as an Eligible Shareholder before 7.00 pm (AEDT) on the Record Date. You should carefully consider your personal circumstances and the offer terms before deciding to exercise your options. If you are unsure what action you should take or have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser.

If you do not want to exercise your options and participate in the Entitlement Offer, then subject to the terms on which you were issued your options, the exercise price of your options may be reduced in the manner permitted by the ASX Listing Rules applying at the time of the Entitlement Offer. ImpediMed will make an announcement in relation to the exercise prices of its options in due course.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Steve Denaro'.

Steve Denaro
Company Secretary

ImpediMed Limited ABN 65 089 705 144

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