

**Videlli Limited**

ABN 23 009 112 725

8 June 2012

Dear Shareholder,

**Share Cancellation - Proposal Not To Proceed**

We have today received notification from the Australian Securities and Investments Commission that, while an Independent Expert Report is not a statutory requirement to accompany the Information Memorandum in relation to the two Notices of Meeting for 14 June 2012, it is ASIC's view that the resolutions for cancellation of shares should not be put to the meetings on 14 June in the absence of an independent expert's report being provided to shareholders..

Accordingly, the Videlli Board has determined that the resolutions for cancellation of shares will not be put to either of the general meetings on 14 June 2012.

There being no other business to be considered by either of the general meetings on 14 June 2012, we suggest that you need not attend at the appointed time of 10.00 am.

Yours faithfully

**Simon Davey**  
Company Secretary