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Dear Shareholder,

Renounceable Entitlements Offer

Potash West NL, ABN 62 147 346 334 (**Company**), wishes to raise additional funds of up to \$3,072,513.84 by way of a renounceable entitlements issue (**Offer**) to shareholders.

The Offer is open to all eligible shareholders the right to subscribe for a share (**Share**) plus an attaching quoted option (A Class **Option**) at \$0.22. The A Class Option will have an exercise price of \$0.30 and an expiry date of 15 March 2015. Shareholders will receive an entitlement to apply for 1 Share for every 6 shares held as at the record date, 26 February 2013. **Generally, shares purchased on market on or after the “Ex Date” of 20 February 2013 are NOT entitled to participate in the Offer. If you have any doubt, please consult your sponsoring broker.**

Entitlements to Shares and A Class Options pursuant to the Offer are renounceable and accordingly, rights may be traded on ASX. Rights trading will commence on 20 February 2013 and end on 15 March 2013. Please refer to the prospectus for further details on how to sell your rights.

The purchase price is a discount to the average market price of shares in the Company sold on the ASX during the previous 10 trading days ending 15 February 2013.

Full details of the Offer are contained in **the Prospectus which was lodged with the Australian Securities & Investments Commission and the Australian Securities Exchange on 18 February 2013**. The Prospectus is available on ASX's website and the Company's website at www.potashwest.com.au.

The proceeds of the Offer will be to advance feasibility studies on the Dandaragan Trough project, which has the potential to be a large, long-term project focussed on fertiliser products, reducing Australia's dependence on imported materials. The recent scoping study, details of which were released in January 2013, has shown a robust project, with a long life, that has considerable upside available from:

- Process improvements, identified as part of the engineering studies completed in 2012.
- Increases in scale, as markets are established and developed
- Applications of the K-Max process to other silicate deposits



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Details of the Offer

The Offer is described in detail in the prospectus that will be mailed to all eligible shareholders on or about 1 March 2013. The expected timetable is shown below.

Event	Date
Prospectus lodged with ASIC and ASX	Pre market 18 February 2013
Notices sent to Shareholders	19 February 2013
'Ex' Date Rights Trading Commences	20 February 2013
Record Date for determining Shareholders' Entitlements	26 February 2013
Despatch of Prospectus to Eligible Shareholders Opening Date	1 March 2013
Rights Trading Ends	15 March 2013
New Securities quoted on a deferred settlement basis	18 March 2013
Closing Date for acceptances and payment	22 March 2013
ASX notified of under-subscriptions	27 March 2013
Despatch date/New Securities entered into Shareholders' security holdings	3 April 2013

Application for Shares and Options under the Offer may only be made by completing the Entitlement and Acceptance Form which accompanies the Prospectus. Shareholders eligible to participate in the Offer should read the Prospectus carefully. For further information on the Potash West Offer you should contact your professional adviser.



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Benefits of the Offer

Some important benefits of the Offer are:

- The purchase price is a discount to the volume weighted average price of the shares over the 10 days immediately prior to the announcement of the plan.
- The purchase of the Shares under the Offer will not be subject to brokerage, commissions and stamp duty, or any other transaction costs that would apply if the shares were purchased on market.
- Each Shareholder will be entitled to participate in the rights issue and apply for excess shares, over and above their entitlement.
- The option attached to each Share has value to owners
- Shareholders who do not have a marketable parcel (currently 2,008 shares at the 10 day VWAP to 15 February 2013) will have the opportunity to increase their shareholding to a marketable parcel, to improve the liquidity of their holding.
- The rights will be tradeable on the ASX, so rights can be bought and sold, then exercised, to increase holdings.

I believe that this is a way to raise additional funds for the Companies programmes that is equitable to all Shareholders. Directors of the Company have indicated that they will be exercising their rights.

Adrian Griffin
Chairman
Potash West NL
19 February 2013