

2 April 2013

Dear Shareholder

**Potash West NL (Company) – Contingent Entitlement Issue**

**It is important that you read this letter carefully and, if in any doubt, consult with your professional advisor.**

We refer to the Company's Prospectus dated 17 February 2011 in relation to its initial public offering (**Prospectus**), an electronic copy of which is available at [www.potashwest.com.au/prospectus.php](http://www.potashwest.com.au/prospectus.php). Section 2.6 of the Prospectus refers to the Company's proposal to distribute contingent entitlement shares (**Contingent Entitlement Issue**) under which eligible shareholders are entitled to share in a pool of 15,000,000 fully paid ordinary shares in the Company for nil consideration.

The material terms of the Contingent Entitlement Issue are as follows:

1. Barclay Wells Limited (**Trustee**) holds 15,000,000 shares on trust for the eligible shareholders.
2. An eligible shareholder is a person or entity registered as the holder of at least 10,000 shares in the Company on the date of listing (i.e. 11 May 2011) (**Listing Date**) and at least 1 share on the business day after the shares issued under the Prospectus cease to be escrowed (i.e. 13 May 2013) (**Entitlement Date**).
3. The Trustee will distribute the shares to the eligible shareholders in accordance with the following formula:

$$X = (A/B) \times 15,000,000$$

Where:

X = the number of shares which an eligible shareholder is entitled to receive.

A = the number of shares held by the eligible shareholder as at the Entitlement Date.

B = the total number of shares held by all eligible shareholders as at the Entitlement Date.

4. Any fractional entitlements will be rounded down. Any shares leftover after rounding down will be transferred to the eligible shareholder with the largest single parcel of shares.

5. Once entitlements have been confirmed, the Trustee will transfer the shares to the eligible shareholders by way of an off-market transfer.
6. The shares will be distributed for nil consideration and therefore no amount is payable by eligible shareholders for their entitlements.

Therefore, shareholders will only be eligible to participate in the Contingent Entitlement Issue if they were the **registered holder** of at least 10,000 shares at the Listing Date and are the **registered holder** of at least 1 share at the Entitlement Date. For the purposes of the Contingent Entitlement Issue, a transfer of shares to another person or entity (even to the beneficial owner of the shares or to a nominee holder where beneficial ownership does not change) will result in a change in the registered ownership of those shares and, accordingly, may affect eligibility.

Please be aware that shareholders are solely responsible for any taxation liabilities that they may incur in connection with receiving any shares under the Contingent Entitlement Issue.

We thank you for your continued support as a shareholder over the years. If you have any general queries in relation to the Contingent Entitlement Issue then please contact the Company on +61 (0)8 9479 5386.

Yours faithfully



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Patrick McManus  
Managing Director  
**Potash West NL**