



Dear Option Holder,

**NOTICE OF RENOUNCEABLE ENTITLEMENT ISSUE TO OPTION HOLDERS**

We are writing to you in relation to your option holding in Capitol Health Limited (**Company**).

The Company has announced to the ASX Limited (**ASX**) a renounceable entitlement issue on the basis of one (1) new share for every eleven (11) shares held at \$0.04 per share together with one (1) free option for each share issued to raise approximately \$1,012,423 (**Entitlement Issue**).

Pursuant to the terms of the options that were issued to you, the Company is required to notify you of your right to participate in any pro rata issue of securities if you exercise your options prior to the record date for the pro rata issue.

Accordingly, take notice that in order to participate in the Entitlement Issue, you will need to exercise your options prior to the record date for the Entitlement Issue, being **26 October 2009**.

The Company has lodged a prospectus in relation to the Entitlement Issue at the Australian Securities & Investments Commission and this document will be despatched to shareholders of the Company on 29 October 2009. The prospectus outlines the Entitlement Issue in detail.

Should you have any queries in relation to this matter, please do not hesitate to contact the undersigned on (+61 8) 6389 2688.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Kim Hogg', is written over a faint, circular watermark or background.

Kim Hogg  
*Company Secretary*