

Perilya Limited **Dividend Reinvestment Plan**

PERILYA LIMITED ABN 85 009 193 695





Dividend Reinvestment Plan

The Directors of Perilya Limited have established the Perilya Limited Dividend Reinvestment Plan (“**the Plan**”).

The Plan enables you to receive some of or all of your future dividends as ordinary Perilya Limited shares instead of cash.

As all brokerage and associated costs are paid by the Company, the Plan provides a cost effective means for you to increase your ownership in Perilya Limited.

In addition, shares issued under the Plan may be issued at a discount to the market price.

Enclosed in this booklet are some questions and answers that may help you to better understand the Plan. A full copy of the Plan Rules can be obtained by contacting Computershare Investor Services on 1300 557 010 or (03) 9415 4000 or visit Perilya’s website at www.perilya.com.au

You should read this information carefully and obtain your own independent advice before determining whether or not you should participate in the Perilya Limited Dividend Reinvestment Plan.

Yours sincerely

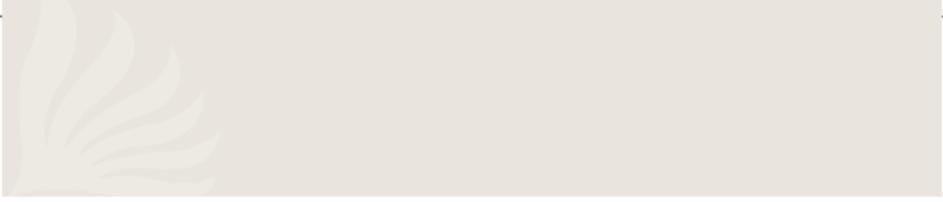


Len Jubber
Chief Executive Officer



Key features

- **Provides you with the flexibility to receive some or all of your dividends in the form of shares rather than cash, thus giving you an efficient method of increasing your investment in the Company.**
- **Cost to participate in the DRP is Nil as all brokerage and related costs are paid by the Company. You will be responsible for costs associated with seeking independent advice concerning your participation in the Plan.**
- **Shares issued under the DRP may be issued at a discount to the market price, enabling you to increase your holdings at a discount to what you would otherwise pay.**
- **Participation in the DRP is available to shareholders with a registered address in Australia and New Zealand only.**
- **Participation in the DRP is entirely optional. Should you wish to participate you can elect to include some or all of your existing shares in the DRP.**
- **Shares received under the DRP will rank equally with existing fully paid ordinary shares.**



Questions and answers

Below are some questions and answers that may help you to better understand the Perilya Limited Dividend Reinvestment Plan and the benefits that it can provide you as a shareholder.

What is the Perilya Limited Dividend Reinvestment Plan?

The Perilya Limited Dividend Reinvestment Plan (“the Plan”) allows you to elect to receive some or all of your dividend payments as shares in Perilya Limited, instead of cash. It is a simple and cost effective way to increase your investment in Perilya Limited.

If you elect to partially participate or fully participate in the Plan, at each dividend payment date, the dividend you would otherwise receive as cash will be issued in the form of Perilya Limited ordinary shares.

Who can participate in the Plan?

All shareholders with a registered address in Australia or New Zealand are eligible to participate in the Plan. Shares held under other plans or schemes, including the Perilya Employee Share Acquisition Plan, are not eligible to participate in the Plan.

For shareholders with a registered address in Australia or New Zealand, participation is entirely optional.

You should obtain your own independent advice before determining whether or not you should participate in the Plan.

How do I participate in the Plan?

To participate in the Plan you will need to complete the enclosed Dividend Reinvestment Plan form and return it to the Share Registry. In order to participate, your form must be returned to the Share Registry by 5.00 pm (Australian Western Standard Time) on the Record Date.

What do I have to do if I do not want to participate in the Plan?

If you want to continue to receive your dividend in cash, you do not need to do anything.

How are shares priced under the Plan?

The price of shares allocated under the Plan is calculated using the average of the Volume Weighted Average Price for a period up to 5 trading days commencing the day after the Record Date, less any discount that the Board may determine. A full description of the pricing mechanism is defined in the DRP Rules under the definition of Acquisition Price.

How are shares allocated under the Plan?

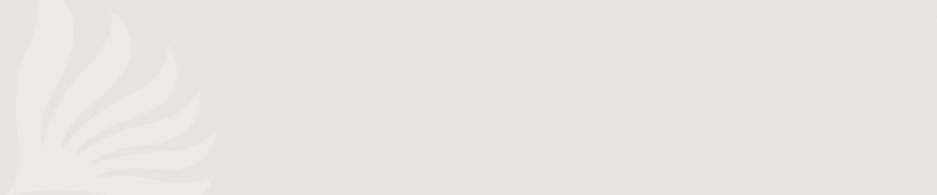
Once the share price has been calculated, the notional cash dividend that is payable to you is divided by the DRP share price to determine how many shares you will be issued under the Plan.

The number of shares to be allocated will be rounded down to the nearest whole number with any fractional entitlement (including any remaining cash balance in the participant's DRP account) forfeited.

How much will it cost to participate?

Shares allocated under the Plan are not subject to any brokerage or commission costs. Costs of administering the Plan are borne by the Company.

You will be responsible for any costs associated with independent advice sought in relation to participation along with any liability or other impost resulting from participation in the Plan.



Do I have to commit all of any holdings to the Plan?

You have three choices available to you, as follows:

- Not Participate (Do not return this form)
- Partially Participate (Complete relevant section and return form)
- Fully Participate (Complete relevant section and return form)

Where forms are returned to the Share Registry and it is unclear which option has been nominated, it will be assumed that you have elected to fully participate in the Plan.

What if I have more than one shareholding?

A separate form will have to be lodged for each shareholding registered under different names or for each shareholding that has a different shareholder registered number.

When will I receive notification of my share allocation?

At the time that Perilya Limited pays a dividend, a statement will be issued to you showing the following information:

- participating shares held at Record Date;
- shares issued to you under the Plan; and
- the share price that the shares were issued at.

How do I change my participation or cease to participate?

You can change your participation status at any time by completing and returning a Notice of Variation to the Share Registry. For an alteration to be effective, the form must be received by 5.00 pm on the Record Date.

Where can I get additional Dividend Reinvestment Plan application or variation forms from?

You can request additional Dividend Reinvestment Plan Application or Variation forms by calling the Share Registry on 1300 557 010 for Australian registered shareholders or +61 3 9415 4000 for New Zealand registered shareholders or visit Perilya's website at www.perilya.com.au

When can I sell my DRP participating shares?

You can sell your shares at any point in time, including shares that you have received under the Plan, unless your shares are restricted. For instance shares issued as part of any employee share scheme where the vesting period has not expired, would be restricted.

Shares that are sold will be removed from the Plan as soon as a valid transfer document has been received by the Share Registry.

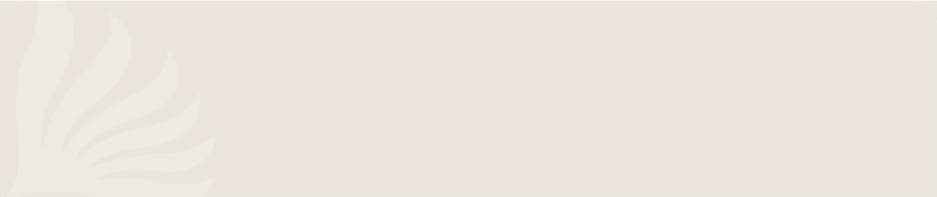
Where you have registered only partial participation in the Plan and you elect to sell some of your shares, the shares sold will be assumed to be non participating shares unless the Share Registry is otherwise notified.

Are there any restrictions on when shares received under the Plan can be sold?

There are no restrictions on when you can sell shares that you have received under the Plan. Shares will be received on the designated dividend payment date.

Can the Plan Rules be varied, suspended or terminated?

The Perilya Limited Board reserves the right to vary, suspend or terminate the Plan at any time.



What are the tax implications of participating in the Plan?

Perilya takes no responsibilities for any taxation liabilities of shareholders who participate in the Plan.

Australian Residents:

Where you receive a dividend in the form of a share under the DRP, for tax purposes that dividend is treated in the same way as if the dividend was received in cash.

Any franking credit that would have been applicable to a cash dividend would also apply to a dividend received as a share under the DRP.

Shares received under the DRP will generally be subject to capital gains tax on disposal, regardless of when the participating or underlying shares were originally purchased.

For calculation purposes, the cost base for the DRP shares will be the amount of the dividend applied to acquire the DRP shares and the acquisition date will be the date that the DRP shares are issued to the shareholder.

New Zealand Residents:

Where you receive a dividend in the form of a share under a DRP, for NZ tax purposes that dividend is treated in the same way as if the dividend was received as cash. That is, the dividend is taxable when received and a tax credit is available for any Australian withholding tax deducted. The dividend will not be subject to withholding tax to the extent that the dividend is fully franked.

Shares received under the DRP will generally not be subject to tax upon sale unless the shareholder was considered to be a dealer or trader in shares, or if the shares were purchased for the purpose of disposal, or they were sold as part of a profit-making scheme or undertaking entered into for the purpose of making a profit.

Seek Independent Advice

Perilya Limited takes no responsibility for any liabilities of shareholders who participate in the Plan.

It is recommended that you seek your own independent professional and tax advice prior to determining whether or not to participate in the Plan if you are at all unsure of the implications of participating in the Plan.

Plan Rules

A complete set of Plan Rules can be viewed on the Perilya Limited website www.perilya.com.au or can be obtained by contacting Computershare Investor Services on 1300 557 010 or +61 3 9415 4000 or the Company Secretary on +61 8 6210 2000.



Enquiries

If you have any further enquiries about how the DRP operates or how you can participate, or to request a DRP Application Form, Variation Form or Plan Rules, please contact:

The Share Registrar

Computershare Investor Services Pty Ltd
452 Johnston Street
Yarra Falls VIC 3067

Telephone: 1300 557 010 or

+61 3 9415 4000

Website: www.computershare.com.au

or

Perilya Limited

Company Secretary
Level 10, 553 Hay Street
Perth WA 6000

Telephone: +61 8 6210 2000

Website: www.perilya.com.au

If your enquiry relates to taxation, you should contact your professional adviser.

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www.perilya.com.au

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