

27 April 2004

Dear Shareholder

The Board of Directors of Cryosite have today announced that they propose to raise additional capital through both non-renounceable 1 for 4 fully underwritten rights issue at \$0.15 per share and a non-underwritten Share Purchase Plan (SPP) allowing shareholders to purchase \$1,000 worth of shares at \$0.15 per share (6,667 shares).

As outlined at the last Annual General Meeting the Company is committed to maintaining its prudent approach to capital management and accordingly intends to raise a minimum of \$1,326,562 in the rights issue and a maximum of \$796,000 by the SPP, so as to:

- Ensure that we are able to maintain the ability to participate in large tenders;
- Assist in funding current and proposed capital expenditure, and
- Maintain adequate working capital.

In the last Annual Report we noted that we were well advanced in the negotiation for a number of projects that would a very significant long-term benefit to the company. I am pleased to report that we expect to sign the first of these within the next week, and another within a month. Other negotiations are continuing and we remain confident that they will also have a positive outcome.

Part of the funds raised through this issue will be used on capital expenditure needed to support the projects. The remaining funds will be used to meet the previously stated objectives.

The opportunity to participate in the rights issue is being first offered to shareholders with any shortfall below \$1,326,562 in the rights issue being underwritten by Southern Cross Equities. The SPP provides existing shareholders with an opportunity to purchase up to \$1,000 worth of new shares in the company at a discount to the market price.

Shareholders may subscribe to both the rights issue and the SPP.

The terms and conditions of the rights issue SPP are outlined on the reverse side of the enclosed Application and Payment Form and by making an application to purchase shares under the SPP you will have agreed to be bound by those terms and conditions.

Some of the more important terms and conditions of the SPP are:

- You must be a registered shareholder on 5 May 2004;
- You can apply to purchase \$1,000 of shares;
- The Issue Price is 15 cents;
- Application and payments must be received by 20 May 2004.

Participation in the SPP is entirely at your discretion but the SPP is non-renounceable which means you cannot transfer your right to purchase shares under the SPP to anyone else.

The application period will close at 5.00pm on 20 May 2004. Therefore, if you wish to apply for any shares under the SPP, you should follow the instructions outlined in the attached Application and Payment Form so payment is received at Cryosite by that date.

If you have any questions regarding the SPP, please contact:

Cryosite Limited  
9 Sirius Road  
Lane Cove NSW 2066  
Telephone: (02) 9420 1400  
Email: [spp@cryosite.com](mailto:spp@cryosite.com)

Yours sincerely,

Richard Grellman  
Chairman



This laboratory is accredited under the accreditation scheme of the National Association of Testing Authorities, Australia and The Royal College of Pathologists of Australasia

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