

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

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

9 Sirius Road Lane Cove NSW 2066 Australia
phone +61 2 9420 1400 fax +61 2 9420 1414
email store@cryosite.com www.cryosite.com

Cryosite Ltd ABN 86 090 919 476

CRYOSITE LIMITED SHARE PURCHASE PLAN (SPP)

TERMS & CONDITIONS

ELIGIBILITY TO PARTICIPATE – All Cryosite Limited (CTE) ordinary shareholders resident in Australia or New Zealand and who are registered as at Wednesday 5 May 2004 are eligible to participate.

INVITATION TO APPLY – Eligible shareholders can apply to purchase \$1,000 worth of Cryosite shares at 15 cents per share.

Cryosite reserves the right to reject an application where it believes the application may result in a person receiving more than \$1,000 worth of shares under the SPP, for example, an application from a person who has more than one shareholding (including a shareholding in joint names).

The SPP is non-renounceable.

No brokerage or other transaction costs will apply to any purchases under the SPP.

The application period closes at 5:00pm on Thursday 20 May 2004.

Allotment will occur on or about Friday 28 May 2004. After allotment the company will make application for the shares to be listed for quotation on the official list of the Australian Stock Exchange.

ISSUE PRICE – The issue price for all shares purchased under the SPP is 15 cents per share.

PAYMENT INSTRUCTIONS – Payment of application money is to be made by cheque. Detailed instructions are contained on the attached Application and Payment Form.

ALLOCATIONS AND RIGHT TO SCALE-BACK -The allocation of shares will be determined by Cryosite. The allocation of shares to all Eligible Shareholders must not equate to or exceed 15% of the issued capital of Cryosite. Cryosite therefore reserves the right to scale back the allocation of shares to all applicants on a pro rata basis to ensure this threshold is not exceeded. Appropriate refunds will be made in these circumstances.

If a Shareholder's allocation of shares under the SPP includes a remaining fraction, it will be rounded up to the next whole number of shares.

RIGHT TO WITHDRAW OR MODIFY OFFER - The Directors of Cryosite may withdraw or modify the SPP at any time prior to allotment. If the SPP is withdrawn, all application money will be refunded. No interest will be paid on any refunded application money. If the SPP is modified or terminated the Company will advise the Australian Stock Exchange. The omission to give notice of modification or termination or the non receipt of notice shall not invalidate the termination. Without limiting the above, the Company may resolve to allot to any person fewer shares than that person applied for under the SPP if the allotment of those shares would contravene any law or the listing rules of the Australian Stock Exchange.

DISPUTE RESOLUTION - Cryosite may settle in any manner it deems appropriate, any disputes or anomalies which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any applicant or application for the shares. The decision of Cryosite will be conclusive and binding on all persons to whom the determination relates. Cryosite reserves the right to waive compliance with any provision of the SPP terms and conditions.

SUBMITTING PAYMENTS – The Shareholder's payment must be received by the Cryosite NO LATER THAN 5.00pm EST time on Thursday 20 May 2004. Shareholders should allow sufficient time for this to occur. In view of Cryosite's right to withdraw the SPP at any time and to apply scale back arrangements, Cryosite will not be obliged to issue shares and the Shareholder will not be entitled to receive or be issued shares until Cryosite resolves to allot shares to the Shareholder's application, in whole or in part. The postal acceptance rule does not apply to the SPP. A reply paid envelope is enclosed for shareholders in Australia. New Zealand holders will need to affix the appropriate postage.

CRYOSITE SHARE PURCHASE PLAN (SPP)
ABN 86 09 919 476

APPLICATION AND PAYMENT FORM

NAME
NAME
ADDRESS
ADDRESS
ADDRESS

Barcode

SRN or HIN

CRYOSITE LIMITED (CTE) SHARE PURCHASE PLAN

The Shareholder applies for the number of shares set out below in accordance with the terms and conditions of the Cryosite Share Purchase Plan ("SPP") to which this form is attached. The Shareholder understands that their right under the SPP to purchase shares is non-renounceable, that is, the Shareholder cannot transfer their right to purchase shares under the SPP to anyone else.

DECLARATION AND ACKNOWLEDGEMENTS

By forwarding a payment, the Shareholder acknowledges that they have read and understood the terms and conditions of the SPP and confirms that the total cost of all shares purchased by the Shareholder in the SPP (including through joint and beneficial holdings) does not exceed A\$1,000.

APPLICATION AND PAYMENT INSTRUCTIONS

Once the Shareholder has decided to purchase shares the Shareholder must make the required payment by cheque by following the instructions outlined below. **All payments must be received by 5.00pm (EST time) Thursday 20 May 2004.**

ACCEPTANCE OF TERMS Return of this application form with your cheque for payment will constitute your acceptance of the terms of the Cryosite Limited Share Purchase Plan.

MAKING A CHEQUE PAYMENT

- Complete the "Application Details" section below by:
 - Marking the box to indicate the value of shares applied for.
 - Inserting cheque details.
 - Inserting your daytime contact telephone number in case we need to contact you.
- Use a "Not Negotiable" cheque or draft payable to **Cryosite Limited** in Australian currency and drawn on an Australian Bank. Cash will not be accepted. Cheques will be deposited on the day of their receipt. If cheques are dishonoured the application may be rejected.
- Return the Application and Payment Form with the cheque for full payment in the enclosed reply paid envelope to Cryosite Limited 9 Sirius Road, Lane Cove NSW 2066**


IF YOU HAVE ANY ENQUIRIES CONCERNING YOUR SPP PAYMENT, PLEASE TELEPHONE CRYOSITE LIMITED (02) 9210 1400, YOUR STOCKBROKER OR FINANCIAL ADVISER WITHOUT DELAY

APPLICATION DETAILS
I/We being registered as an Ordinary Shareholder in the Company as at Wednesday 5 May 2004, apply for the following dollar amount of ordinary shares. Cheques are to be made payable to "Cryosite Limited" and marked "Not Negotiable". The Shareholder must submit the correct amount as incorrect payments may result in the application being rejected.

Cheque enclosed for \$1,000

Please enter a contact name and your telephone number where you may be contacted during business hours.

Contact Name: _____ Contact business hours telephone No.: () _____

 **Please pin your cheque(s) to this form.**

Details of Cheque(s)		
Drawer	Bank	Branch

Date /

Total Amount Enclosed
\$