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Dear Shareholder

**Acquisition of Ephraim Resources Limited and public offer to raise \$3m**

As announced to ASX on 14 June 2013, WAG Limited has agreed to acquire 100% of the issued capital of Ephraim Resources Limited (**Ephraim**), a British Virgin Island incorporated entity (**Acquisition**). Ephraim owns 99% of the issued shares of PT FirstFlower (PTFF), an Indonesian incorporated entity.

PTFF's business is agricultural biogenetics research and experimentation, licensing and consultancy, with a focus on nipah palm breeding, tissue culture, cultivation and plantation, and the conversion of sap from the nipah palm to sugar and ethanol. Further details on PTFF and its business are set out in a prospectus lodged by the Company with ASIC on 2 October 2013 (**Prospectus**), a copy of which is available from [www.wagltd.com.au](http://www.wagltd.com.au) or [www.asx.com.au](http://www.asx.com.au).

Under the Prospectus the Company is seeking to raise \$3m (**Offer**), to be used to purchase additional land rights for plantations and boilers to produce sugar, and for general working capital. The Acquisition is conditional upon successfully completing the Offer and the Company's shares being quoted on ASX.

The Acquisition presents an opportunity for the Company to acquire a business with long term potential and allow for the Company's shares to be quoted on ASX, which may result in liquidity for the Company's shares. Further advantages and disadvantages are set out in the Company's notice of annual general meeting sent to you on 11 September 2013.

I am pleased to inform you that shareholders approved the Acquisition and \$3m public offer at the Company's annual general meeting on 11 October 2013.

I now invite you to participate in the Offer. You should consider the Prospectus in deciding whether to acquire shares, and will need to complete the application form in the Prospectus.

Yours faithfully



Frederick Eric J P Ng  
Executive Director

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WAG Limited

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