

24 December 2014



Neptune Marine Services Ltd
ABN 76 105 665 843
Level 16, 140 St Georges Terrace
Perth, Western Australia, 6000
PO Box 7729, Cloisters Square, 6850
P +61 8 9424 1111
F +61 8 9424 1110
E info@neptunems.com

Dear Shareholder

Your Neptune Shares Minimum Holding Share Buy-Back

Neptune is writing to you as a shareholder with a holding of ordinary shares (**Shares**) in Neptune Marine Services Ltd (ASX: **NMS**, **Neptune** or the **Company**) valued at less than \$500 as at 5pm (WST) on 18 December 2014.

Under the ASX Listing Rules, any shareholding valued at less than \$500 is considered to be an unmarketable parcel (**Unmarketable Parcel**). Neptune has initiated a buy-back of Shares for holders of Unmarketable Parcels (**Buy-Back**).

The Buy-Back will allow you to sell your Shares without incurring brokerage and other expenses and will reduce the significant administrative and registry costs for the Company that are associated with Unmarketable Parcels.

In accordance with its Constitution and the *Corporations Act 2001* (Cth), the Company does not need shareholder approval for the Buy-Back. If you do not want to participate in the Buy-Back, you can make that election as described below.

Buy-Back Share price

The Buy-Back will be at a price of \$1.18 per Share, being the volume weighed average price of the Shares for the 5 trading days ending 18 December 2014. Based on the Buy-Back price, an Unmarketable Parcel is any holding of 422 Shares or less.

How to accept or reject this offer

If **you want your Unmarketable Parcel to be purchased** by the Company for \$1.18 per Share under the Buy-Back, **you do not need to do anything**.

If you **do not want your Unmarketable Parcel to be purchased by the Company** for \$1.18 per Share under the Buy-Back, **you must complete the enclosed Notice of Retention and return it to** Computershare Investor Services, GPO Box 52, Melbourne VIC 3001 by no later than 5:00pm (WST) on **9 February 2015 (Closing Date)**. If a Notice of Retention is not received by this date, your Shares will be purchased under the Buy-Back. You are advised to allow reasonable time for the Share Retention Form to be received by the Company.

Shares held on trust

If you hold Shares on trust for multiple entities, whereby the value of the combined shareholding of all the entities held on trust is less than \$500, then the Company will purchase the Shares of each entity held on trust unless a Notice of Retention is received by the Company.

Additional information

If your shareholding is purchased, the proceeds of the purchase will be sent to you by cheque as soon as practicable. Unless otherwise instructed by you prior to the Closing Date, the cheque will be mailed to the address set out on the enclosed Notice of Retention (which is your address as shown on the Company's share register).

There will be no brokerage fees payable by you if your Shares are purchased under the Buy-Back. Shares purchased by the Company under the Buy-Back will be cancelled.

The Company makes no recommendation as to whether you should participate in this Buy-Back. You may wish to seek independent professional advice when deciding whether to retain your Shares and if you have any questions on how the sale may affect you. While the Company will pay for all costs associated with the sale of your Shares under the Buy-Back, any taxation consequences arising from the sale of your Shares under the Buy-Back will be your responsibility.

Yours faithfully



John Louden
Company Secretary

