

4 August 2017

Dear Optionholder

**Osprey Medical Inc. Entitlement Offer – notice to optionholders**

This letter is to notify you that Osprey Medical Inc. (ARBN 152 854 923) (ASX: OSP) (**Osprey** or the **Company**) today announced an underwritten, non-renounceable pro rata entitlement offer of approximately 25,785,924 new CHESS Depository Interests (**New CDIs**) (representing approximately 12,892,962 new fully paid shares of common stock in Osprey), at an issue price of \$0.40 per New CDI (**Issue Price**), to raise up to approximately \$10.3 million (before costs and expenses) (**Entitlement Offer**).

Under the Entitlement Offer, holders of CDIs in the Company who will be eligible to participate in the Entitlement Offer (described below) have the opportunity to subscribe for 1 New CDI for every 10 CDIs held as at 7.00pm (AEST) on Wednesday, 9 August 2017 (**Record Date**). The Entitlement Offer is non-renounceable.

**Eligible Holders**

The Entitlement Offer will be made to all securityholders who are registered as holders of CDIs at 7.00pm (Melbourne time) on the Record Date, with a registered address in Australia, New Zealand, Hong Kong or Singapore (**Eligible Holders**). CDI holders with a registered address outside Australia, New Zealand, Hong Kong or Singapore are considered ineligible securityholders and cannot participate in the Entitlement Offer.

**As an optionholder you are not entitled to participate in the Entitlement Offer in respect of the options you hold.** The purpose of this letter is to give you notice of the Record Date.

For you to participate in the Entitlement Offer, you must exercise any options (subject to the terms of the options) and be registered as an Eligible Holder before 7.00 pm (AEST) on the Record Date. If you do not wish to participate in the Entitlement Offer, no action is required.

You should carefully consider your personal circumstances (including whether you would be an Eligible Holder) and the offer terms before deciding to exercise your options. If you are unsure what action you should take or have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser.

Yours faithfully

A handwritten signature in black ink, appearing to read "B. Case", followed by a vertical line.

**Brendan Case**  
Company Secretary