



31 October 2018

Dear holder of CHESS Depository Interests

Entitlement Offer – notice to holders of CDIs

On 30 October 2018, Osprey Medical Inc. ARBN 152 854 923 (ASX:OSP) (**Osprey**) announced:

- a non-renounceable pro rata entitlement offer of up to approximately 67.9 million new CHESS Depository Interests (**New CDIs**) (representing approximately 33.95 million new fully paid shares of common stock in Osprey), at an issue price of A\$0.155 per New CDI, to raise a maximum of approximately A\$10.5 million (before costs and expenses) (**Entitlement Offer**); and
- a private placement of 64,516,130 new CDIs (representing 32,258,065 new fully paid shares of common stock) at a price of A\$0.155 per CDI to Allan Gray, a leading investment management firm, to raise approximately A\$10.0 million before costs and expenses (**Placement**).

Together, the Placement and Entitlement Offer will raise a maximum of A\$20.5 million before costs and expenses.

Eligible Holders (described below) will be sent an Offer Booklet relating to the Entitlement Offer and a personalised Entitlement and Acceptance Form on or about Wednesday 7 November 2018, which contains important information about the Entitlement Offer. A copy of the Offer Booklet is currently available on the ASX website at www.asx.com.au and Osprey's website at <http://osprey.com/>.

Key information about the Entitlement Offer

The Entitlement Offer will be made to all securityholders who are registered as holders of CDIs at 7.00pm (Melbourne time) on Friday, 2 November 2018 (**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.

Under the Entitlement Offer, Eligible Holders will be invited to subscribe for 1 New CDI for every 5 CDIs held on the Record Date at an offer price of A\$0.155 per New CDI. You may take up your entitlement in full or part. The Entitlement Offer also incorporates a top up facility under which Eligible CDI holders can apply to take up New CDIs in excess of their entitlement.

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Osprey Medical Inc. (ARBN 152 854 923) is a foreign company incorporated in Delaware, USA.

www.osprey.com

The Entitlement Offer is non-renounceable, which means that entitlements will not be tradeable on the ASX or otherwise transferable.

The Entitlement Offer is being made in accordance with Section 708AA of the Corporations Act (as modified by ASIC Class Order [CO 14/827] and ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84), meaning that no prospectus is required to be prepared in relation to the Entitlement Offer. Stockholder approval is not required for Osprey to make the offer under the Entitlement Offer.

The New CDIs will rank equally with the CDIs currently on issue. Fractional entitlements to CDIs will be rounded up to the nearest whole number of New CDIs.

The Entitlement Offer is not underwritten.

Purpose and use of funds

Net proceeds from the Entitlement Offer and the Placement will be used for the following purposes:

- to expand the US sales team and resources to accelerate GPO-focused growth strategy, with a focus on geographies with a high proportion of member hospitals (particularly Premier hospitals);
- ongoing support for post approval market trials, registry studies and physician sponsored trials for specific presentations and publications;
- to accelerate pilot sales programmes in Western Europe – Italy, Germany and UK; and
- continued research and development of the product portfolio.

Key dates for CDI holders

Osprey expects the Entitlement Offer to be conducted according to the following timetable:

Event	Date
Ex-date	1 November 2018
Record Date to determine entitlement to participate in the Entitlement Offer	7.00pm on 2 November 2018
Dispatch Offer documents to Eligible Holders	7 November 2018
Entitlement Offer opens	9.00am on 7 November 2018
Entitlement Offer closes	5.00pm on 16 November 2018
Shortfall announced to ASX	21 November 2018
Issue of New CDIs under Entitlement Offer	23 November 2018
New CDIs under Entitlement Offer commence trading on ASX on a normal basis	26 November 2018
Dispatch of holding statements	26 November 2018

Dates and times are indicative only and subject to change. All dates and times are references to Melbourne time.

Capital structure

The following table sets out the number of issued CDIs on the date that the Placement and Entitlement Offer were announced (30 October 2018) and, subject to the rounding of fractional entitlements under the Entitlement Offer, the total number of issued CDIs at the completion of the Placement and Entitlement Offer:

CDIs	Number
CDIs on issue at 30 October 2018 (Announcement Date)	339,508,206
CDIs to be issued under the Placement	64,516,130
CDIs offered under the Entitlement Offer (if fully subscribed)	67,901,642
Total CDIs on issue on completion of the Placement and the Entitlement Offer (if fully subscribed)	471,925,978

Action you should take

The Entitlement Offer is currently scheduled to close at 5:00pm (Melbourne time) on 16 November 2018. If you are an Eligible Holder and wish to subscribe for New CDIs, you must ensure that your application and payment is received by this time in accordance with the instructions in the Offer Booklet and your personalised Entitlement and Acceptance Form. If you do not wish to participate in the Entitlement Offer, no action is required.

For further information regarding the Entitlement Offer, please call the Entitlement Offer Information Line on 1300 420 406 (within Australia) or +61 1300 420 406 (outside Australia) at any time between 8.30am and 5.00pm (Melbourne time) on business days during the offer period for the Entitlement Offer.

Yours sincerely



Brendan Case

Company Secretary
Osprey Medical Inc.