

31 October 2018

Dear holder of CHESS Depository Interests

**Entitlement Offer – notification to ineligible CDI holders**

This letter is to notify you that Osprey Medical Inc. (ARBN 152 854 923) (ASX:OSP) (**Osprey**) has 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**).

Under the Entitlement Offer, holders of Osprey CDIs (**CDI Holders**) who are eligible to participate in the Entitlement Offer (described below) will have the opportunity to subscribe for 1 New CDI for every 5 CDIs held as at 7.00pm (Melbourne time) on Friday, 2 November 2018 (**Record Date**). The Entitlement Offer is non-renounceable, which means that entitlements will not be tradeable on the ASX or otherwise transferable.

<b>Who are Eligible Holders?</b>	Eligible Holders are those securityholders who are registered as holders of Osprey’s CDIs as at 7.00pm (Melbourne time) on the Record Date, with a registered address in Australia, New Zealand, Hong Kong or Singapore.
<b>Do you meet the eligibility criteria?</b>	Unfortunately, as you do not satisfy the eligibility criteria for an Eligible Holder, you are not eligible to subscribe for New CDIs and you will not be sent a copy of the Offer Booklet. <b>Osprey wishes to advise you that it will not be extending the Entitlement Offer to you.</b>
<b>Why are there restrictions on eligibility?</b>	There are restrictions on eligibility because of: <ul style="list-style-type: none"> <li>• the legal limitations in some countries;</li> <li>• the relatively small number of CDI holders in some countries;</li> <li>• the small number of CDIs those CDI holders hold; and</li> <li>• the potential cost of complying with regulatory requirements in those countries.</li> </ul> Osprey has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the <i>Corporations Act 2001</i> (Cth), that it would be unreasonable to make offers under the Entitlement Offer to CDI Holders in all countries other than Australia, New Zealand, Hong Kong and Singapore.
<b>Do you need to do anything?</b>	You are not required to do anything in response to this letter. This letter is to inform you about the Entitlement Offer, the details of which are provided above and is not an offer to issue New CDIs to you, nor an invitation for you to apply for New CDIs.
<b>Questions</b>	If you have any questions in relation to the Entitlement Offer and this letter, please seek professional advice or contact Osprey’s company secretary on +61 410 442 393.

Yours faithfully



**Brendan Case**  
Company Secretary

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

[www.ospreymed.com](http://www.ospreymed.com)