



US Masters Holdings

21 November 2011

Company Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/ Madam

**Notice under section 708AA(2)(f) of the Corporations Act 2001
(as modified by ASIC Class Order CO 08/35)**

This notice is given by U.S. Masters Holdings Ltd Limited ARBN 052 123 930 (the "Company") under section 708AA(2)(f) of the Corporations Act 2001 (the "Act"), as modified under Australian Securities and Investments Commission Class Order CO 08/35 ("ASIC CO 08/35").

The Company has announced a non-renounceable pro-rata entitlement offer (the "Offer") of 1 new fully paid ordinary shares (the "Offer Securities") in the Company for every 1 such share held as at 7.00 pm on Tuesday 29 November 2011 by all security holders with a registered address in Australia and New Zealand.

The Company states that:

- (a) The Offer Securities will be offered for issue without disclosure to investors under Part 6.2D of the Act;
- (b) This notice is being given under paragraph 708AA(2)(f) of the Act, as modified by ASIC CO 08/35.
- (c) As at the date of this notice U.S. Masters Holdings Limited has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to it; and
 - (ii) section 674 of the Act.
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act, as modified by ASIC CO 08/35.

U.S. Masters Holdings Limited

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- (i) The potential effect that the issue of the Offer Securities will have on the control of the Company will depend on a number of factors including the extent to which existing security holders in the Company take up their entitlements and the way any shortfall of entitlements not taken up are placed by Directors. Currently the largest shareholder is Michael Davies, a director of the Company, who has declared a 23.2% interest in the shareholding of the Company. He has advised the Company that he intends to take up his Entitlement, resulting in his relevant interest in the expanded share capital of the Company, assuming all Entitlements are taken up or all of any Shortfall is placed, increasing slightly to just under 24%. The 2 other substantial holders in the Company are also directors of the Company, Gordon Galt and James Beecher. Gordon Galt has advised that an entity he controls does not intend to take up its Entitlement but, subject to shareholder approval, an entity he controls intends to take up some Shares in any Shortfall. If this occurs his interests will, assuming all Entitlements are taken up or all of any Shortfall is placed, decrease from 10.1% to under 7%. James Beecher has advised that an entity he controls intends to take up part only of its Entitlement, resulting in his interests, assuming all Entitlements are taken up or all of any Shortfall is placed, decreasing from 5.6% to just under 4%. In total the substantial shareholders interests will, assuming all Entitlements are taken up or all of any Shortfall is placed, decrease from 39% to 35%. Further, the Directors advise that any Shortfall to be placed is intended to be placed with a number of parties so that no one party can exercise control of the Company.
- (ii) The consequences of the above effects are that it is most unlikely there will be any change in the control of the Company. The Offer is therefore not expected to have any material effect on the control of the Company.

Yours faithfully
U.S. Masters Holdings Ltd

James Beecher
Director