Photo-Me
Australia Limited
ACN 110 184 355

Registered Office:
Level 7, 1 William St
Perth, WA 6000

Ph.: 08 9463 2463
Fax: 08 9463 2499

29 October 2009

(#INSERT NAME AND ADDRESS OF SHAREHOLDERS #)

Dear Shareholder,

Non-Renounceable Pro-Rata Offer of Shares – Information for Shareholders

On 27 October 2009, Photo-Me Australia Limited ("Photo-Me" or "the Company") lodged a prospectus for a non-renounceable pro-rata offer of shares to shareholders ("the Offer"). A further Supplementary Prospectus was lodged on 29 October 2009. Copies of the Prospectus and Supplementary Prospectus were lodged with Australian Stock Exchange Limited ("ASX") and announcements made to the market on the same days. The shares will be issued at half a cent ($0.005) each ("the Shares").

The timetable and important dates of the Offer are set out below.

Lodgement of Prospectus	27 October 2009
Lodgement of Supplementary Prospectus	29 October 2009
Shares quoted on 'ex' basis	1 December 2009
Record Date (for identifying Shareholders entitled to participate in the Offer)	5.00 pm WST 7 December 2009
Opening Date and Despatch of Prospectus to Shareholders	8 December 2009
Closing Date of the Offer	22 December 2009
Shares issued under the Offer quoted on a deferred settlement basis	23 December 2009
Notify ASX of under-subscriptions for Shares	24 December 2009
Despatch Date: shares entered into Shareholders' security holdings	29 December 2009

Before deciding whether to accept the Offer, you should read the Prospectus in its entirety and, if any doubt, consult with your professional adviser.

The full terms and conditions of the Offer are detailed in the Prospectus which can be viewed on the ASX website at www.asx.com.au or at the Company's website at www.photo-me-com.au . Copies of the Prospectus and Supplementary Prospectus will be sent to each eligible Shareholder.

A personalised Entitlement and Acceptance Form will accompany the Prospectus. Eligible Shareholders must complete the Entitlement and Acceptance Form in order to take up their entitlements. **Entitlement and Acceptance Forms must be properly completed and received by the Company's Share Registry no later than 5.00pm Western Standard Time on the closing date of 22 December 2009.**

Offers of Photo-Me's shares are made in the Prospectus dated 27 October 2009 and in accordance with the revised timetable included in the Supplementary Prospectus dated 29 October 2009 which have been lodged with the Australian Securities & Investments Commission. Eligible shareholders wishing to acquire Photo-Me shares will need to complete an Entitlement and Acceptance Form, which will accompany the Prospectus.

If after reading the Prospectus you do not wish to participate in the Offer, you do not need to take any action.

Use of Funds
The proceeds of this Offer will be applied, inter alia, to the further roll out of Internet booths to be located at various Westfield Shopping Centres and to provide working capital.

Quotation
The Company has applied to ASX for quotation of the Shares on ASX. If approval is not granted by ASX within 3 months after the date of the Prospectus, the Company will not issue the shares and will repay all Applications monies without interest.

Enquiries
If you have any questions regarding the Offer, please telephone the Company's Share Registry, Security Transfer Registrars Pty Ltd, on (61-8) 9315 2333

Yours faithfully

Vince Accardi

V. Accardi

Managing Director
Photo-Me Australia Ltd

Attachment to Photo-Me Ltd Letter of 29 October 2009

Information Sheet

The following information is provided to Shareholders in accordance with the ASX Listing Rules. Full details of the Offer are contained on the Prospectus and in accordance with the revised timetable included in the Supplementary Prospectus dated 29 October 2009 which will be sent to Eligible Shareholders on or about 8 December 2009.

Is security holder approval required	Yes
Is the issue renounceable or non-renounceable	Non-renounceable
Ratio in which the +securities will be offered	2 Shares for every 1 Share held at 5.00pm (WST) on the Record Date
+Class of +Securities issued or to be issued	Shares
Number of +securities issued or to be issued (if known) or maximum number which may be issued	183,314,300 Shares (maximum)
Do the +securities rank equally in all respects from the date of allotment with an existing class of securities	Yes
+Record date to determine entitlements	5.00pm WST on 7 December 2009
Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded down
Name of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	None
Closing date for receipt of acceptances or renunciations	5.00pm WST on 22 December 2009
Name of any underwriters	Not applicable
Amount of any underwriting fee or commission	Not applicable
Names of any brokers to the issue	Not applicable
Fee or commission payable to the broker to the issue	Not applicable
Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable
Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	8 December 2009
If the entity has issued shares, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	29 October 2009
Despatch Date	29 December 2009