



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 OPTIONHOLDERS #)

Dear Optionholder

**NOTICE TO OPTIONHOLDERS OF PRO-RATA NON-RENOUCEABLE ENTITLEMENTS
ISSUE**

We are writing to you in relation to your option holding in Photo-Me Australia Ltd - ASX Code: PTOO (**Photo-Me**).

The Company has recently announced to ASX Limited ("ASX") the details of a Pro-Rata Non-Renounceable Entitlement Issue Prospectus for an Offer of 2 new Shares for every share held at an issue price of \$0.005 (half cent) each (**Entitlements Issue**). The Entitlements Issue comprises an Offer of fully paid ordinary shares to existing shareholders at the record date of 7 December 2009.

Pursuant to the terms of the options that were issued to you, the Company is required to notify you of your right to participate in any pro rata issue of securities if you exercise your options prior to the record date for the pro rata issue.

Accordingly, take notice that in order to participate in the Entitlements Issue, you will need to exercise your options prior to the record date for the Entitlements Issue, being **7 December 2009**.

The Company has lodged a Prospectus and Supplementary Prospectus in relation to the Entitlements Issue at the Australian Securities & Investments Commission and these documents will be depatched to shareholders of the Company on 8 December 2009. The Prospectus and Supplementary Prospectus outline the Entitlements Issue in detail.

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

Yours faithfully

Vince Accardi

A handwritten signature in black ink that reads "V. Accardi".

**Managing Director
Photo-Me Australia Ltd**