



17 February 2012

Dear Option holder

NOTICE OF NON-RENOUNCEABLE ENTITLEMENT ISSUE TO OPTIONHOLDERS

We are writing to you in relation to your option holding in Resource and Investment NL (Company).

The Company has announced to ASX Limited (**ASX**) the details of a pro rata non-renounceable entitlement issue on the basis of one (1) new fully paid ordinary share (**Share**) for every four (4) shares held by shareholders of the Company as at 5.00pm WST 28 February 2012 at an issue price of \$0.35 per Share plus one (1) free attaching option for every five (5) Shares issued (**Offer**).

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 Offer, you will need to exercise your options prior to the record date for the Offer, being 28 February 2012.

The Company has lodged a Prospectus with ASIC and this document will be dispatched to shareholders of the Company on 1 March 2012. The document outlines the Offer in detail.

Should you have any queries in relation to this matter, please do not hesitate to contact the Company on (+61 8) 9489 9200.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Jean Mathie', with a horizontal line underneath.

Jean Mathie
COMPANY SECRETARY