

16 September 2016

Dear Shareholder



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RURAL EQUITIES LIMITED (REL)
FINANCIAL REPORTING TRANSITION

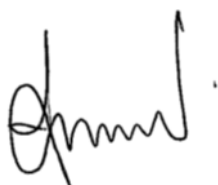
The new Financial Markets Conduct Act 2013 (*FMCA*) came into force on 1 December 2014 and will result in the repeal of the Securities Act 1978 on 1 December 2016. Under the new legislation, REL can choose to 'opt-in' to the FMCA regime for its equity securities at any time up until 1 December 2016.

In order to comply with the new Unlisted¹ Market Rules, REL elected to 'opt-in' to the FMCA regime at its recent balance date, 30 June 2016 (*the effective date*).

The requirements of the FMCA apply to REL and its shares after the effective date. This means that the shares are now regulated as 'financial products' under the FMCA. The main purposes of the FMCA are to promote the confident and informed participation of businesses, investors and consumers in the financial markets and to promote and facilitate the development of fair, efficient and transparent financial markets.

On the effective date, REL became an 'FMC Reporting Entity' as defined in the FMCA. This means that from 30 June 2016, the Group's financial statements are prepared in accordance with Part 7 of the FMCA and the Financial Reporting Act 2013, rather than the Financial Reporting Act 1993.

This is a statutory notice that is required to be sent to all shareholders of REL. Directors do not believe that the decision to 'opt-in' to the FMCA will have any material impact on shareholders or their shares. No further action is required by shareholders, but if you require any further information, please do not hesitate to contact our office.



James R Wright
CHIEF OPERATING OFFICER

¹ Unlisted is not a Licensed Financial Product Market.