

24 June 2015

Dear Shareholder

AtCor Medical Holdings Limited (AtCor) – Non- Renounceable Rights Issue

On 17 June 2015, AtCor announced a fully underwritten non-renounceable rights issue of approximately 17,793,393 new fully paid ordinary shares (**Rights Issue**) under which its eligible shareholders will be offered 1 fully paid ordinary share in AtCor (**New Share**) for every 10 fully paid ordinary shares held on the record date, at an issue price of A\$0.18 per share.

This Rights Issue offer will be made to those shareholders of AtCor with registered addresses in Australia and New Zealand only (**Eligible Shareholders**) and will be fully underwritten by Taylor Collison Limited.

The Rights Issue will raise approximately \$3,202,811 before costs. The cash raised will be used for funding:

- Costs for additional personnel, consulting and other services in preparation for the CPT1 code that is expected to take effect from 1 January 2016;
- Acceleration of the company's product development program; and
- Additional working capital.

AtCor has decided that it is unreasonable to make the offer to shareholders with registered addresses outside of Australia and New Zealand (**Ineligible Shareholders**) due to:

1. the small number of shareholders with registered addresses outside of these countries;
2. the number and value of shares those shareholders would be offered; and
3. the cost of complying with the legal and other regulatory requirements in each of the countries concerned.

The Rights Issue will not be extended to Ineligible Shareholders and they will not receive a copy of the Rights Issue booklet or an Entitlement and Acceptance Form.

No action has been taken to register or qualify the Rights Issue booklet and Entitlement and Acceptance Form, the Rights Issue or the New Shares or to otherwise permit a public offering of the New Shares in any jurisdiction outside of Australia or New Zealand.

AtCor expects to despatch the Rights Issue booklet and Entitlement and Acceptance Forms to Eligible Shareholders on or around 1 July 2015. The Rights Issue booklet will be lodged with the ASX and will be available on the ASX website at asx.com.au in the next week.

The key dates and terms for the Rights Issue are set out below:

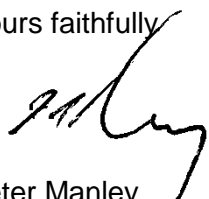
Event	Date
Who may participate	All Australian and New Zealand shareholders
Offer	1 share for every 10 shares held at the Record Date
Offer price	\$0.18
Announcement of Rights Issue	Wednesday, 17 June 2015
Ex-Entitlement Date	Friday, 26 June 2015
Record Date for the Rights Issue	Tuesday 30 June 2015
Mailing of Rights Issue Booklet and Entitlement and Acceptance Form to Eligible Shareholders	Wednesday, 1 July 2015
Rights Issue opening date	Monday, 6 July 2015
Rights Issue closing date – last date for receipt of acceptances and payment of application money in full	Thursday, 16 July 2015
Issue of New Shares under the Rights Issue and completion of despatch of holding statements and CHES notices	Thursday, 23 July 2015
Normal trading of New Shares issued under the Rights Issue expected to commence on ASX	Friday, 24 July 2015

This timetable is indicative only and may be subject to change, subject to the ASX Listing Rules.

Existing option holders may participate in the Rights Issue upon exercise of their vested options. AtCor sent a letter to its option holders on 23 June 2015 to notify them of their right to participate in the Rights Issue upon exercise of their vested options.

For further information about the Rights Issue please contact me on +61 (2) 9874 8761 at any time from 8.30 am to 5.30 pm (Sydney time) Monday to Friday during the Rights Issue offer period.

Yours faithfully



Peter Manley
Company Secretary

AtCor Medical Holdings Limited