

15 September 2008

Dear Shareholder

Shareholder Share Purchase Plan
Closing Date – 5pm WST 3 October 2008

The Board of Directors of Shaw River Resources Limited (“Shaw River” or “the Company”) is pleased to offer shareholders the opportunity to participate in the Company’s Shareholder Share Purchase Plan (**‘Plan’**) enabling all shareholders to participate on an equal basis to purchase ordinary shares in Shaw River.

The Plan entitles shareholders in the Company, irrespective of the size of their shareholding, to purchase shares in the Company (**‘Shares’**) at an attractive price, free of all brokage, commission and stamp duty (**‘Offer’**).

Terms of the Plan are enclosed with this letter

This letter sets out the terms and conditions of the Offer. By agreeing to purchase Shares under the Plan, you will agree to be bound by the terms and conditions set out in this letter. The issue of Shares under the Plan is subject to shareholder approval at a general meeting of shareholders to be held on 10 October 2008.

Purpose of the Offer

The offer is designed to allow all shareholders, particularly those whose holdings may constitute less than a marketable parcel, to build that shareholding. Additionally funds raised from this Offer will be directed towards the Company’s active exploration programmes, particularly on the Company’s newly acquired and existing manganese exploration projects.

Intentions of Directors

Each Director intends to take up his full entitlement of Shares under the Offer.

Participation

Participation in the Plan is open to all persons registered as holders of Shares at close of business, on 5 September 2008 (**‘Record Date’**) who have an address (as recorded in the Company’s register of members) in Australia or New Zealand (**‘Eligible Members’**). This letter will not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

Participation in the Plan is entirely at the discretion of Eligible Members. Eligible Members may apply for a parcel of shares under the Plan worth \$1,200, \$3,000 or \$5,000 (valued at \$0.06 per share), or alternatively you may do nothing, thereby retaining your current shareholding.

The Offer is non-renounceable, meaning that Eligible Members cannot transfer their entitlement to purchase shares under this Offer to another person.

If you wish to participate in the Plan, you must complete and lodge the attached Application Form before **5pm (Perth time) on 3 October 2008**. Please refer to the lodgement instructions below, and the instructions on the Application Form.

Pricing

As an incentive to shareholders, the Shares are being offered at an issue price of \$0.06 (6 cents) each, representing a discount of 34% to the weighted average market price of the Company's shares over the last 5 trading days to the 5 September 2008.

You should note, however, the market price of shares may rise or fall between the date of this Offer and the date on which Shares are allocated to you. This means that the issue price you pay for the Shares may be greater than or less than the market price of the Shares at the date of allotment of the Shares under the Offer. You should obtain your own financial advice in relation to the Offer prior to lodging your Application Form.

Limit on Participation

In order to comply with ASIC regulations, an Eligible Member may not acquire more than \$5,000 worth of shares under shareholder share purchase plans in any 12 month period, taking into account all applications including joint and other beneficial interests.

The maximum number of 83,333 Shares, for which each Eligible Member may apply, will apply even if any eligible Member has received more than one Offer (whether in respect of a joint holding or because the Eligible Shareholder has more than one holding under a separate share account). The Company reserves the right to reject any acceptance where there is non-compliance with this rule or any other term of the Plan.

Shortfalls and Excess Subscriptions

Subject to shareholder approval, Shaw River will have the ability to issue up to 13,333,400 ('**Authorised Quantity**') under the Plan. If the Company receives acceptances for more than the Authorised Quantity, the company will scale back the number of shares to be issued to all shareholders who accepted shares under the Plan by the same proportion.

Allotment of Shares

Applications will be accepted on a first come, first served basis and it is the board's intention to issue Shares under the Plan, subject to shareholder approval on 10 October 2008, no later than 17 October 2008.

Shares allotted under the Plan will rank equally in all respects with all other fully paid ordinary shares in the Company on the date of their issue.

Shaw River will, promptly after allotment of Shares under the Plan, apply for the Shares to be quoted on the official list of ASX.

Costs of Participation

No brokerage, commissions, stamp duty or other transaction cost will be payable by Eligible Members in respect of their application for, and allotment of Shares under the Plan.

Lodgement instructions

If you would like to participate in the Offer, please return you completed Application Form, together with your cheque for the purchase price for the number of shares you wish to acquire, to reach our share register:

Security Transfer Registrars Pty Ltd:

PO Box 535
Applecross WA 6953

OR

770 Canning Highway
Applecross WA 6153

on or before the **Closing Date of 5pm (Perth time) on 3 October 2008.**

Alternatively, your payment can be by electronic funds transfer from your cheque or savings account to the account number listed on the application form. You **must** quote EFT Reference Number provided on the front of the application form in the subject line of the funds transfer. You must still send in your application form and EFT receipt if you choose this option, so that the application form and your payment are both received by 5pm (Perth time) on 3 October 2008

Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the closing date.

Declaration and Acknowledgements

By forwarding a cheque or EFT receipt and completing the Application form, you:

- Acknowledge that you have read, understood and agree to be bound by the terms and conditions of the Plan;
- Agree to accept any lesser number of Shares than the number of Shares you applied for;
- Confirm the total cost of all Shares purchased by you (including through joint and beneficial holdings) does not exceed \$5,000 ; and
- Agree to be bound by the constitution of Shaw River in respect of the Shares issued to you.

Risk Factors

While your directors have confidence in the future of the Company and the attractiveness of the shares offered under this plan it should be noted that owning shares in a mineral exploration company, like Shaw River, is considered a speculative form of investment and that the future price of the Company's shares may rise and fall depending upon exploration success and fluctuations in the stock market generally.

Shareholders should also be aware that there is a risk that the market price of Shaw River shares may change between the date of this offer and the date when new shares are allotted under this Plan. The value of the shares you receive may rise or fall accordingly.

Finally, shareholders should note that the offer is not made under a prospectus, or any other disclosure document, and does not require the type of disclosure required under the Corporations Act 2001. Shareholders must rely on their own knowledge of

the Company and previous disclosures made by the Company on the Australian Securities Exchange. If necessary, consult your professional advisor prior to deciding to accept this Offer and participate in the Shareholder Share Purchase Plan.

Additional Information

The plan will be administered by the Shaw River Board, which will have an absolute discretion to:

- Determine appropriate procedures for administration of the Plan; and
- Resolve conclusively any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan whether generally in relation to any participating Eligible Member, or application for shares, and any such resolution will be binding on all participants and other persons to whom the resolution relates.

The Plan and the terms and conditions of the Plan may be suspended, terminated or amended at any time by the Board.

The Board reserves the right to refuse an application if it considers that the applicant is not an Eligible Member or has not otherwise complied with the terms of the Plan or for any other reason. If an application is refused, application monies received will be refunded without interest.

Costs of the Offer

Expenses of the Offer, ASX Listing Fees, share registry expenses, commissions, printing and postage costs have been estimated to be no more than \$50,000.

Any Queries

If you have any queries concerning the Offer, please contact the Registered Office by telephone 09 9226 4455 or email info@shawriver.com.au

Yours sincerely

Richard Cullen
Chairman

SHARE PURCHASE PLAN APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCKBROKER OR LICENSED PROFESSIONAL ADVISER.

SHAW RIVER RESOURCES LIMITED

ABN 85 121 511 886

Registered Office: Ground Floor 708 Murray Street WEST PERTH WA 6005

Share Registry: Security Transfer Registrars Pty Ltd All Correspondence to: PO BOX 535, APPECROSS WA 6953 770 Canning Highway, APPECROSS WA 6153 T: (08) 9315 2333 F: (08) 9315 2233 E: registrar@securitytransfer.com.au W: www.securitytransfer.com.au

«Holder_Name» SRR 5
«Address_Line_1»
«Address_Line_2» SRR
«Address_Line_3»
«Address_Line_4» «TY»«Holder_No»
«Address_Line_5»

Record Date: 5 September 2008

NON-RENOUCEABLE OFFER CLOSING AT 5.00pm WST ON 3 OCTOBER 2008

TO THE DIRECTORS, SHAW RIVER RESOURCES LIMITED

I/We, the above mentioned, wish to apply for the number of new fully paid ordinary shares as stated below at an issue price of \$0.06 per share which will be issued in accordance with the SHAW RIVER RESOURCES LIMITED Share Purchase Plan and the Constitution of the Company.

Table with 4 columns: Offer, Total Subscription Amount, Number of Shares, Issue Price. Rows include Offer A (max amount), Offer B, and Offer C.

I/We enclose my/our payment of \$0.06 for each new fully paid ordinary share applied for. I/We hereby authorise you to place my/our name(s) on the register of members in respect of the new fully paid shares allotted to me/us and I/we agree to be bound by the Company's Constitution and the terms of the SHAW RIVER RESOURCES LIMITED Share Purchase Plan set out in the Company's letter dated 15 September 2008.

I/We hereby agree to accept any lesser number of new shares than the number of new shares applied for; and I/We hereby certify that the amount of shares subscribed for by me/us pursuant to the SHAW RIVER RESOURCES LIMITED Share Purchase Plan (being a maximum of \$5000 worth of shares) does not exceed \$5000, taking into account the shares the subject of this application and any other shares applied for by me/us under the SPP or any similar arrangement within the 12 months prior to this application including joint and other beneficial interests.

Limitation on Participation - see overleaf for details.

PAYMENT BY ELECTRONIC FUNDS TRANSFER (EFT)

Shareholders may elect to pay for their entitlement via (EFT) and deposit funds directly to the following bank account :

BSB NO: 036 - 001 ACCOUNT NUMBER: 29 0892

EFT REFERENCE NUMBER: <EFT REFERENCE NO.>

This reference number must be quoted at the point of EFT in order for your funds to be allocated correctly.

YOU MUST POST OR FAX A COPY OF YOUR BANK RECEIPT TOGETHER WITH A COPY OF YOUR COMPLETED ENTITLEMENT FORM TO SECURITY TRANSFER REGISTRARS IN ORDER FOR YOUR APPLICATION TO BE PROCESSED.

Please provide a daytime (business hours) telephone number so that we can contact you if we have any questions.

Telephone Number

Contact Name

NOTE: Return of the completed application form, together with your cheque(s) or EFT receipt for the application monies, will constitute your offer to subscribe for new shares in the Company, and your acceptance of the Terms and Conditions of the SHAW RIVER RESOURCES LIMITED Share Purchase Plan.

This Share Purchase Plan Application Form with your payment must be lodged with the Share Registry or mailed in the return addressed envelope provided, and must be received not later than 5.00PM WST on 3 OCTOBER 2008.

Share Registry Use Only

EFT REFERENCE NUMBER:

<EFT REFERENCE NO.>

SHAW RIVER RESOURCES LIMITED

ABN 85 121 511 886

CERTIFICATION

By completing and returning this Application Form, with my cheque(s) or EFT receipt for the application monies, I/we hereby:

1. Acknowledge that I/we have read and understood the Terms of the SHAW RIVER RESOURCES LIMITED Share Purchase Plan;
2. Agree to be bound by the terms of the SHAW RIVER RESOURCES LIMITED Share Purchase Plan set out the Company's letter dated 15 September 2009 and the Company's Constitution.
3. Agree to accept any lesser number of new shares than the number of new shares applied for; and
4. Certify that the amount of shares subscribed for by me/us pursuant to the SHAW RIVER RESOURCES LIMITED Share Purchase Plan (being a maximum of \$5000 worth of shares) does not exceed \$5000, taking into account the shares the subject of this application and any other shares applied for by me/us under the SPP or any similar arrangement within the 12 months prior to this application including joint and other beneficial interests.
5. Acknowledge that the issue of shares under the SHAW RIVER RESOURCES LIMITED Share Purchase Plan is subject to shareholder approval at a meeting of shareholders to be held on 10 October 2008.

INSTRUCTIONS TO COMPLETE APPLICATION FORM

- **Completion of Application Form**

If the amount owed is a different amount to the actual total of cheques or EFT deposit included with this Application Form, the Company reserves the right to either reject your application or accept it in respect of the lesser of your stated subscription amount or your actual payment total. Receipts for payment will not be issued.

Please complete all relevant sections of the Application Form using BLOCK LETTERS.

Please see the instructions below under the heading "Payment" in relation to how you may pay for the new shares subscribed for.

- **How to Lodge your Application**

The completed Application Form, together with your payment for the full amount of new shares applied for; should be enclosed and returned in the return addressed envelope provided with this Application. **This must be received by Security Transfer Registrars or the Company by 5.00PM WST on 3 OCTOBER 2008.**

The Company's Share Registry is located at the addresses set out below:

Security Transfer Registrars Pty Ltd
PO Box 535
Applecross WA 6953

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

- **Payment**

You may pay for the new shares applied for by cheque or Electronic Funds Transfer (EFT). Cash payment will not be accepted.

Payments must be made in Australian Currency and cheque(s) must be drawn on an Australian Bank.

Cheque(s) must be made payable to "SHAW RIVER RESOURCES LIMITED" and crossed "not negotiable". Cheque(s) not properly drawn may be rejected. Cheques will generally be deposited on the day of receipt. If cheque(s) are dishonoured the application will be rejected.

PAYMENT BY ELECTRONIC FUNDS TRANSFER (EFT)

Shareholders may elect to pay for their entitlement via (EFT) and deposit funds directly to the following bank account:

BSB NO: 036 - 001 ACCOUNT NUMBER: 29 0892

EFT REFERENCE NUMBER: (as provided on the front of this form).

This reference number must be quoted at the point of EFT in order for your funds to be allocated correctly.

- **Limitation on Participation**

The maximum subscription limitation of \$5000 will apply even if an Eligible Shareholder has received more than one Application Form (whether in respect of a joint holding or because the Eligible Shareholder has more than one holding under separate share accounts).