



MR JOHN SAMPLE
FLAT 123
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLETOWN VIC 3030

3 June 2009

Dear Shareholder,

The Directors of Iatia Limited (Company) are pleased to offer you the opportunity to increase your investment in the Company by participating in the Share Purchase Plan (SPP) which was announced a few weeks ago. This follows the successful completion of several other fund raising initiatives as recently announced and outlined in the enclosed Shareholder Update.

The fundraising initiatives, which are partly subject to shareholder approval, comprise the conversion of an unsecured interest free loan made on behalf of the Deputy Chairman into shares and the issue of interest free convertible notes to the Chief Executive Officer and a substantial shareholder. In total this will raise between \$400,000 and \$500,000. Iatia is fortunate to achieve such low cost funding in the current difficult financial environment, and the support of shareholders, the Board and management should be recognised. These funding arrangements are based on a 1 cent share price.

In addition to these initiatives Iatia has also concluded an equity standby agreement for A\$5 million with Fortrend Securities. This can be drawn down over several years subject to certain conditions. These draw downs are expected to occur at progressively higher prices, so as to minimise dilution to existing shareholders.

The SPP has been introduced to raise some additional funds and seeks to offer all shareholders the opportunity to support the continuing growth and success of Iatia's technology capped at the placement price of 1 cent per share.

The funds raised from the SPP, together with the proceeds of the fundraising initiatives referred to above, will be used for:

- development of existing collaboration efforts ;
- continuing expansion of marketing efforts;
- completion of negotiations with potential customers;
- acceleration of new market development in the USA and Europe;
- additional working capital.

The Offer

The SPP provides Eligible Shareholders with an opportunity to buy a parcel of new shares in the Company valued at A\$2,000, A\$3,000, A\$4,000 or A\$5,000. Participation in the SPP is entirely at your discretion. This opportunity is offered exclusively to all Eligible Shareholders – please refer to the attached information for details.



The price at which the new shares will be issued will be the lesser of:

- \$0.01 cents (which was the Placement Price); or
- a 2.5% discount to the average market price (as defined in the ASX listing rules) of latia shares calculated over the last 5 days on which sales of latia's shares were recorded before the day on which the shares are issued.

The shares issued under the SPP will rank equally in every respect with existing fully paid ordinary shares in latia. No brokerage or other transaction costs will apply to purchases under the SPP. The Company will issue a parcel of new shares to each Eligible Shareholder who has made an application in accordance with the terms of the SPP (depending on the value of the parcel applied for by each Eligible Shareholder).

This letter and its enclosures set out the details and terms and conditions of the SPP. I urge you to read these in their entirety and if you are unsure about any aspect, to seek your own financial advice in relation to the offer, before you decide whether to participate. If you decide to apply for a parcel of shares under the SPP, please follow the instructions on the enclosed personalised application form.

The offer is non-renounceable and this invitation cannot be sold or transferred. If you do not wish to participate in the SPP, you need not take any further action.

The SPP opens on Wednesday 3 June 2009 and is expected to close at 5.00 pm (AEST) on Wednesday 24 June 2009.

We at latia are excited about the Company's QPI technology and growing base of applications. On behalf of the Board of Directors I invite you to participate in the Share Purchase Plan.

Yours sincerely,



Jim Short
Chairman
3 June 2009

About latia Limited

latia Limited (ASX:IAT) is a leading wavefront imaging company. Our high resolution digital technology allows you to see the invisible. latia licenses its globally patented technology, QPI, for imaging in the life sciences, ophthalmology, nanotechnology and defence. Based in Melbourne, Australia, latia is listed on the Australian Stock Exchange.

Terms and Conditions of the Share Purchase Plan (“SPP”)

These terms and conditions and the accompanying “Share Purchase Plan Application Form” set out the terms and conditions of the SPP. By accepting the offer to subscribe for ordinary shares under the SPP, you agree to be bound by these terms and conditions and the Constitution of Iatia Limited (ABN 27 091 608 025) (“Iatia”).

Key Dates*

Date	Event	
Friday, 29 May 2009, 5:00pm to Tuesday, 16 June 2009, 5:00pm	Eligibility Period	Eligible Shareholders are determined
Wednesday, 3 June 2009	Opening date	Share Purchase Plan opens
Wednesday, 24 June 2009, 5:00pm	Closing date	Share Purchase Plan closes Applications must be received by 5:00pm Australian Eastern Standard Time
Thursday, 25 June 2009 to Wednesday, 1 July 2009	Average Pricing Period	The average market price over this period is calculated to help set the Plan price (see below)
Friday, 3 July 2009	Allotment date	New shares allotted

*Iatia Limited has the discretion to alter Key Dates. All times are Australian Eastern Standard Time

What is the SPP?

The SPP is a convenient, cost effective way for the shareholders to acquire Iatia shares free of traditional transaction costs.

Why is Iatia issuing more shares?

Iatia is undertaking the SPP to provide an opportunity for shareholders to increase their Iatia shareholding following the recent placements. Iatia intends to use the proceeds of the SPP to fund the development of existing collaboration efforts, expand marketing and fund working capital requirements.

How much can I invest?

The amount you may invest under this Share Purchase Plan (SPP) is limited. You may only apply for a parcel of ordinary shares in Iatia Limited (Shares) with a value of A\$2,000, A\$3000, A\$4,000 or A\$5,000.

Because the Shares are being issued at a fixed issue price (described below), the parcel of Shares you have applied for may not equal a whole number. In this case the number of Shares issued to you will be rounded up to the nearest whole number of Shares.

What is the issue price of the shares?

The issue price will be the lesser of:

- \$0.01 (the price of the other issues); or
- a 2.5% discount to the average market price (as defined in the ASX listing rules) of Iatia shares calculated over the last 5 days on which sales of Iatia's shares were recorded before the day on which the shares are issued.

The market price of the Shares may rise or fall between the date of this offer and the date when the Shares are allotted under the SPP. Hence, on the SPP allotment date, the market price of the Shares you receive may be more or less than the price you pay for the Shares. The current Share price can be obtained from ASX at www.asx.com.au and is listed in the major Australian financial newspapers or the business section of some daily newspapers.

Who is eligible under this offer?

You are eligible to apply for Shares under this offer if you are a person or entity that is a registered holder of shares in Iatia between 5:00pm (AEST) 29 May 2009 and 5:00pm (AEST) 16 June 2009 and your address as recorded in Iatia's share register is in Australia.

For any new shareholders registered between Friday 29 May 2009 and Tuesday 16 June 2009 their SPP Application Form and terms and conditions will be mailed. New shareholders will also be able to view their SPP Application Form and terms and conditions on the company's website at www.iatia.com.au.

However, if you are resident in the United States or you are a 'US Person' ('US Person') (as defined in Regulation S under the Securities Act of 1933, as amended) ('US Securities Act') or acting for the account or benefit of a US Person, you will not be an Eligible Shareholder.

Do I have to participate?

No. Participation in the SPP is entirely voluntary. In deciding whether to participate in the SPP, please take time to read the information on the SPP and contact your taxation or financial adviser if necessary.

I have several holdings. Can I purchase a separate parcel of shares for each holding?

If you receive more than one offer to participate in the SPP in the same name the maximum you may invest under the SPP is A\$5,000.

- **Single holders:** If you are the only registered holder of Iatia shares, but you receive more than one offer under the SPP (for example, due to multiple registered holdings), you may only contribute up to a maximum of \$5,000 in applying for Iatia shares.
- **Joint holders:** If you are recorded with one or more other persons as the joint holder of a holding of Iatia shares, that joint holding is considered to be a single registered holder for the purpose of the SPP, and the joint holders are entitled to participate in the SPP in respect of that holding. If the same joint holders receive more than one offer under the SPP due to multiple identical holdings, the joint holders may only contribute up to a maximum of \$5,000 in applying for Iatia shares across all your holdings.
- **Trustees and nominees:** If you are expressly noted on Iatia's share register as a trustee or nominee for a named beneficiary, you may apply for one maximum parcel of Iatia shares in respect of each such beneficiary. If the Iatia share register does not record a named beneficiary in respect of your trustee or nominee holding, the rules for multiple single holdings apply.

Can I transfer my offer to a third party?

No. The offer is non-transferable, meaning you cannot transfer your right to participate in the SPP.

What is the Allotment Date?

The date of allotment of the Shares under the SPP is currently expected to be 3 July 2009.

What rights will the shares carry?

The Shares to be issued under the SPP will be ordinary shares and rank equally with all other Iatia ordinary shares on issue.

What are the costs of participation in the SPP?

There is no brokerage or other transaction costs payable by participants in the SPP. These costs will be paid by Iatia.

How do I apply for Shares under the SPP?

It's easy – simply follow the steps in the step-by-step instructions on the back of the enclosed Application Form.

- To participate, you may either make a payment by BPay® or you may complete the Application Form and provide a cheque or money order in accordance with the instructions on the Application Form.
- Payments are to be made in Australian dollars in each case.
- BPay® users should use the Customer Reference Number shown on the Application Form to identify your shareholding. You do not need to return your Application Form if you pay via BPay®.
- If you are applying via cheque or money order, you should make it payable to 'Iatia Limited – Share Purchase Plan Trust Account' and send it with a completed Application Form in the enclosed reply paid envelope to Computershare Investor Services Pty Limited.
- You will not be able to withdraw or revoke your application or BPay® payment once you have sent it in.
- All payments and applications must be received no later than 5.00 pm (AEST) on the Closing Date.

By submitting your application and payment you:

- a) irrevocably accept the SPP offer;
- b) acknowledge that you have read and understood the enclosed information on the SPP;
- c) apply to subscribe for shares in accordance with the Terms and Conditions of the SPP; and
- d) certify that the aggregate application amount of Shares for which you have applied under the SPP and any similar arrangement in the 12 months prior to lodging the application, even if you received more than one offer under this SPP or any similar arrangement, does not exceed A\$5,000.
- e) you acknowledge that you are lawfully permitted to accept the offer to acquire Shares under the SPP and participate in the SPP in accordance with the laws applicable in Australia and any other applicable laws in the jurisdiction in which you and/or the beneficial owner of your Shares are situated;

Who can I ask about what to do?

Neither Iatia, nor any of its personnel, is or is to be taken to be, giving any securities recommendation or investment advice in relation to the SPP, nor do any of them have any obligation to do so.

If you are unsure about what to do, you should obtain your own independent financial and taxation advice before making a decision to acquire Shares under the SPP.

If you have further questions about the terms and conditions about the SPP or how to make an application please contact Iatia's share registry: Computershare Investor Services Pty Limited 1300 752 092 (within Australia) or +61 3 9415 4197 (outside Australia).

Discretion and disputes

Iatia reserves the right to waive strict compliance with any term or condition of this SPP. Any powers or discretions of Iatia may be exercised by the directors of Iatia or any delegate of them. Iatia may determine, in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant or application. A determination made by Iatia will be conclusive and binding on all participants and others to whom the determination relates.

Changes and termination

Iatia may change or terminate the SPP or the terms and conditions of the SPP at any time, whether because of a change of laws, ASIC requirements or policy or any other circumstance relevant to the SPP or Iatia. If Iatia does this, it will post a notice on the Iatia website (www.iatia.com.au), but failure to notify shareholders of changes to or termination of the SPP or the terms and conditions of the SPP or the non-receipt of notice by shareholders will not invalidate the change or termination. If Iatia terminates the SPP, it will notify the ASX and refund any application moneys to you (without interest).

Other information

The offer of Shares under the SPP is in accordance with the ASIC Class Order CO 02/831 which grants relief from the requirement to prepare a disclosure document for this offer.

These terms and conditions are governed by the laws in force in Victoria and are to be interpreted in accordance with their spirit, intention and purpose.

For further questions, please contact Iatia's share registry:

Computershare Investor Services Pty Limited

Yarra Fall, 452 Johnston St, Abbotsford, Victoria, 3067 Australia

Telephone within Australia 1300 752 092 Outside Australia +61 3 9415 4197

Internet site www.computershare.com.



Iatia Limited
ABN 27 091 608 025



Please return completed form to:
Computershare Investor Services Pty Limited
GPO Box 505 Melbourne
Victoria 3001 Australia
Enquiries (within Australia) 1300 752 092
(outside Australia) 61 3 9415 4197

Securityholder Reference Number (SRN)



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For your security keep your SRN/HIN confidential.

Entitlement Number:
Record Date: 29 May 2009
Offer Closes: 5.00pm (Melbourne Time) 24 June 2009



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SAMPLETOWN VIC 3030

SHARE PURCHASE PLAN APPLICATION FORM

This personalised form can only be used in relation to the shareholding represented by the SRN or HIN printed above. This is an important document and requires your immediate attention. If you are in doubt about how to deal with this document, please consult your financial or other professional adviser.

Pursuant to the terms and conditions of the Iatia Limited Share Purchase Plan (SPP) contained in the letter to Iatia Limited shareholders dated 3 June 2009, Iatia Limited is offering eligible shareholders the opportunity to purchase shares up to a maximum value of A\$5,000 per eligible shareholder, subject to a minimum application of A\$2,000.

If you do not wish to purchase additional shares under this offer there is no need to take action.

By making your payment, you agree to be bound by the Constitution of Iatia Limited and agree that the submission of this payment constitutes an irrevocable offer to you by Iatia Limited to subscribe for Iatia Limited shares on the terms of the SPP. In addition, by submitting the slip below you certify that the aggregate of the application price paid by you for:

- the shares the subject of the slip below; and
- any other shares and interests in the class applied for by you under the Share Purchase Plan or any similar arrangement in the 12 months prior to the date of submission of the slip below, does not exceed \$5,000.00.

METHOD OF ACCEPTANCE

You can apply for shares and make your payment utilising one of the payment options detailed overleaf.

Iatia Limited may make determinations in any manner it thinks fit, in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant or application. Any determinations by Iatia Limited will be conclusive and binding on all eligible shareholders and other persons to whom the determination relates. Iatia Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all eligible shareholders even where Iatia Limited does not notify you of that event.

I A T

S P R B



PLEASE DETACH HERE

043175_000J00



Please see overleaf for Payment Options



Billers Code: 657221
Ref No: 123412341234123412

Paperclip
cheque(s)
here.
Do not
staple.

Iatia Limited
ABN 27 091 608 025

I/We wish to purchase:

\$2,000 worth of Iatia shares or \$3,000 worth of Iatia shares or \$4,000 worth of Iatia shares or \$5,000 worth of Iatia shares

Payment Details – Please note that funds are unable to be directly debited from your bank account

Drawer	Cheque number	BSB number	Account number	Cheque amount
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

Make your cheque, bank draft or money order payable to Iatia Limited - Share Purchase Plan

Contact Details

Please provide your contact details in case we need to speak to you about this slip

Name of contact person

Contact person's daytime telephone number

1234567890123456+1234567890-1234+12

How to accept the Share Purchase Plan

Payment Details

You can apply for shares by utilising the payment options detailed below. There is no requirement to return the slip below if you are paying by electronic means.

By making your payment using either electronic means or by cheque, bank draft or money order, you confirm that you agree to all of the terms and conditions of the Share Purchase Plan as enclosed with this Application Form.

Your cheque, bank draft or money order must be made payable to Iatia Limited - Share Purchase Plan in Australian currency and crossed Not Negotiable. Your cheque or bank draft must be drawn on an Australian branch of a financial institution. Please ensure you submit the correct amount. Incorrect payments may result in your application being rejected. Complete cheque details in the boxes provided. **Please note that funds are unable to be directly debited from your bank account.**

If paying by cheque, bank draft or money order, please return with the slip below, in the envelope provided.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the slip below where indicated. Cash will not be accepted. A receipt for payment will not be forwarded.

Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding the slip below.

Lodgement of Application

If you are applying for shares and your payment is being made by BPAY®, you do not need to return the slip below. Your payment must be received by no later than 5.00pm (Melbourne Time) on 24 June 2009. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order, the slip below must be received by Computershare Investor Services Pty Limited (CIS) Melbourne by no later than 5.00pm (Melbourne Time) on 24 June 2009. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Return the slip below with a cheque, bank draft or money order attached.

Neither CIS nor the Company accepts any responsibility if you lodge the slip below at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of shareholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you have any enquiries concerning this form or your entitlement, please contact CIS on 1300 752 092.

This form may not be used to notify your change of address. For information, please contact CIS on 1300 752 092 or visit www.computershare.com (Issuer sponsored holders only).

CHES holders must contact their Controlling Participant to notify a change of address

Payment Options:



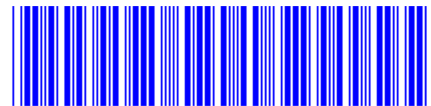
Billers Code: 657221
Ref No: 123412341234123412

Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au



By Mail
Iatia Limited
Computershare Investor
Services Pty Limited
GPO Box 505
Melbourne, Victoria 3001
AUSTRALIA



Entitlement Number: <xxxxxxxxxx>

SAMPLE CUSTOMER
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLETOWN TAS 7000

