



20 June 2014

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Dear Shareholder

Updated Information for Notice of Special Meeting

1. We refer to our Notice of Special Meeting of Shareholders dated 11 June 2014 (**Notice**) which gives notice that a special meeting of the shareholders of Windflow Technology Limited (**Company**) will be held at The Nightmarch Room, Riccarton Park, Racecourse Road, Christchurch on Wednesday 25 June 2014 at 7.30pm.

2. The reason for the updated information is that the Notice was deficient for the purposes of the Takeovers Code because it failed to include all the information required by the Code. The Takeovers Panel has required us to address that deficiency by providing you with some updated information in this letter (**Letter**) for the Explanatory Notes in relation to Resolution 3: Approval for the Purposes of the Takeovers Code. If you have already instructed a proxy, you may wish to reconsider that instruction in light of this information. For ease of reference, we have underlined any different or new wording from the Notice. The majority of this information was included in the Independent Advisers Report distributed with the Notice, however we wish to draw your attention to this information in this Letter as part of the Notice.

3. These changes are as follows:

(a) Paragraph 22 is deleted and replaced with the following:

“22. Subject to the assumptions below:

Maximum Conversion

- The maximum number of ordinary shares that could be allotted to Mr Iles upon conversion of all of New Preference Shares is 36,000,000 (which represents 53.52% of the total voting securities in the Company following conversion of all the Preference Shares currently on issue and that could be allotted if Resolution 1, 2 and 3 are approved).
- Together with Mr Iles existing holding, this would represent up to 67,268,267 ordinary shares, representing 72.98% of the total voting securities in the Company upon conversion of all the Preference Shares currently on issue and that could be allotted if Resolution 1, 2 and 3 are approved. This percentage of 72.98% represents the maximum percentage that Mr Iles could hold or control in the Company.”

(b) Paragraph 26 is deleted and replaced with the following:

“The assumptions upon which the above theoretical maximum is calculated are as follows:

- the number of existing ordinary shares is the number of ordinary shares on issue on the calculation date;
 - that there is no change in the total number of ordinary shares on issue between the calculation date and the end of the allotment period;
 - that Mr Iles is allotted 2 million New Preference Shares if Resolution 1 is approved and 10 million New Preference Shares if Resolution 2 is approved (and, in each case, Resolution 3 is approved);
 - that the Company elects to convert all Preference Shares, including all New Preference Shares that could be allotted to Mr Iles if Resolutions 1, 2 and 3 are approved, which are assumed to be the only further Preference Shares allotted by the Company;
 - the maximum percentage of 72.98%.of total voting securities in the Company following conversion of all Preference Shares, held or controlled by Mr Isles includes the allotment of 36,000,000 New Preference Shares to Mr Iles.
 - Mr Iles has no associates for the purposes of the Takeovers Code, so all disclosures about the maximum control percentages for Mr Iles can be considered disclosure about the maximum control percentages of Mr Iles and his associates."
4. This Letter should be read in conjunction with the Notice and be deemed to form part of the Notice. Capitalised terms used in this Letter have the same meaning given to them in the Notice.

Yours faithfully
for and on behalf of the Board of Directors



Geoff Henderson - Director/Chief Executive Officer
Windflow Technology Limited