

HiTec Energy Limited

ABN 38 009 113 160

www.hitec-energy.com.au

10 August 2009

Dear Shareholder

NON-RENOUNCEABLE ENTITLEMENT ISSUE

HiTec Energy Limited (**Company**) has announced to ASX Limited (**ASX**) a pro rata non-renounceable entitlement issue of one (1) share for every six (6) shares held by shareholders at an issue price of 2 cents per share to raise \$1,709,130 (**Entitlement Issue**) (**Offer**).

The Offer will result in the issue of 85,456,547 new shares.

The Entitlement Issue is fully underwritten by Taylor Collison Limited (**Underwriter**).

The prospectus relating to the Offer has been lodged with the Australian Securities and Investments Commission, New Zealand Registrar of Companies and ASX and is available on the ASX website at www.asx.com.au for inspection. The timetable and important dates of the Offer* are set out below:

Lodgement of Prospectus and Appendix 3B with ASIC	7 August 2009
Notice sent to Shareholders	10 August 2009
Ex Date	12 August 2009
Record Date for determining Shareholder entitlements	5.00pm WST 18 August 2009
Prospectus despatched to Shareholders	21 August 2009
Closing Date of Offer	7 September 2009
Despatch date/Shares entered into shareholders security holdings	15 September 2009

* These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates of the Offer, including extending the Closing Date or accepting late applications, either generally or in particular cases, without notifying you. You are encouraged to submit your application as soon as possible. Any extension of the Closing Date will have a consequential effect on the date of the issue of the securities. The Offer does not require the approval of shareholders.

The purpose of the Offer is to raise approximately \$1,709,130 and the funds raised will be used to develop the Company's 50% owned Ant Hill manganese project and augment the working capital recently raised via a share placement and the anticipated cash flow from the sale of stockpiled ore.

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HiTec Energy Limited

The capital structure of the Company on completion of the Offer will be as follows:

Shares

	Number
Shares on issue at date of Prospectus	512,739,284
Shares offered pursuant to the Offer	85,456,547
Total Shares on issue after completion of the Offer	598,195,831

Options

	Number
Unlisted exercisable at \$0.034 on or before 31 October 2010	9,000,000
Unlisted exercisable at \$0.069 on or before 31 October 2010	2,800,000
Unlisted exercisable at \$0.109 on or before 31 October 2010	6,750,000
Total Options on issue after completion of the Offer ^{1,2}	18,550,000

Notes:

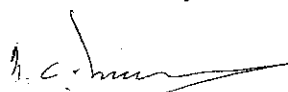
1. 18,550,000 of these Options may be exercised by the Option holders prior to the Record Date in order to participate in the Entitlement Issue.
2. Does not include 5,000,000 Options exercisable at \$0.03 each on or before 31 December 2011 to be issued to the Underwriter as part consideration for underwriting the Offer or 5,000,000 Options exercisable at \$0.03 each on or before 31 December 2011 to be issued to Garrison Capital Pty Ltd as consideration for corporate advisory services provided to the Company in respect of the placement of 65,000,000 Shares to institutional and sophisticated investors as announced by the Company on 22 July 2009 which remain subject to Shareholder approval.

In calculating entitlements under the Entitlement Issue, fractions will be rounded up to the nearest whole number.

The Offer is made to shareholders with registered addresses in Australia and New Zealand only. Overseas shareholders (other than those registered in New Zealand who qualify to participate under the mutual recognition scheme between Australia and New Zealand) who wish to participate in the Offer may do so by changing their registered address to one within Australia or New Zealand before the record date being 18 August 2009. Overseas shareholders should contact the Company Secretary with any queries.

Full detail of the Offer will be contained in the Prospectus that will be mailed to all shareholders who are registered on the Record Date. Shareholders eligible to participate should read the Prospectus carefully.

Yours faithfully



Norman Coldham-Fussell
Chairman