

KTL TECHNOLOGIES LIMITED
ABN 75 009 089 981

6 May 2009

To: [name of optionholder]

In respect of [insert number] of KTL Options exercisable at 5c on or before 29 May 2009

OPTIONS EXPIRY

As an Option Holder in KTL Technologies Limited ("KTL" ASX:KTL (ordinary shares), KTLO: Options) I am writing to inform you that your Options are due to expire at 5.00pm on 29 May 2008. This provides an opportunity for you to become a full shareholder in KTL by exercising your Options and making a payment of 5 cents per Option held. If you choose to exercise your Options, you will receive one new fully paid ordinary share in KTL for each Option exercised that will rank pari-passu with existing KTL ordinary shares.

Options not exercised by 5.00pm 29 May 2008 will expire. Quotation of the options will cease at the close of trading on 22 May 2009. Failure to exercise an Option will result in the forfeiture of any rights that the Option holder may have in relation to the Option or the ordinary share that Option would have converted into.

To exercise your options, you will need to complete the enclosed Exercise of Option form, attach a cheque in Australian currency drawn on an Australian branch of a financial institution for the amount payable for the number of options you wish to exercise, and return both documents to:

**Company's Registry, Computershare Investor Services Pty Ltd,
GPO Box D182, Perth WA 6840.**

Cheques should be made payable to KTL Technologies Limited. The due date for payment is 29 May 2009. Receipt of payment will not be forwarded. Once all forms have been received, and the option term expires, Computershare Investor Services Pty Ltd will mail out your final share notice.

If you are unsure as to the number of KTL options you hold, you can contact Security Transfer Registrars on 1300 266 706 or +61 3 9938 4432 to clarify the number held.

The highest and lowest market prices of the underlying securities (KTL ordinary shares) during the 3 months immediately before this notice is issued are as follows:

	Price	Date
Highest	0.7 cent	28 April 2009
Lowest	0.3 cent	10 February 2009
Last Traded	0.5 cent	4 May 2009

If you wish to clarify any taxation consequences relating to the exercise of options, please consult your solicitor, accountant or professional advisor.

Yours faithfully,
KTL TECHNOLOGIES LIMITED

Ms Rachel Wong
DIRECTOR AND COMPANY SECRETARY

KTL Technologies Limited

ABN 75 009 089 981

Application Form on Exercise of Options Expiring 29 May 2009

To the Directors, KTL Technologies Limited

I/We hereby exercise

option(s) and hand you herewith my/our cheque for

Being 5 cents per share on application for

ordinary shares in the capital of the Company.

I/We request that you allot me that number of shares and I/we agree to accept that number of shares on the terms below and the Constitution of the Company, and I/we authorise you to place my/our name on the register.

My/Our SRN/HIN (as shown on my/our Issuer Sponsored holding statement or CHES holdings statement) is

Sign Here – This section must be signed for your instructions to be executed

I/We authorise you to act in accordance with my/our instructions set out above.

Individual or Securityholder 1

Director

Securityholder 2

Director/Company Secretary

Securityholder 3

Sole Director and
Sole Company Secretary

Day/Date Month Year

Note: when signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.

TERMS AND CONDITIONS OF OPTIONS EXPIRING 29 MAY 2009

1. Each Option entitles the holder to acquire one fully paid ordinary share in the Company.
2. The Option may be exercised at any time until 29 May 2009. Each option may be exercised by forwarding to the Company at its registered office the exercise notice, duly completed together with payment of the sum of five cents (5c) per Option exercised.
3. The Options may be transferred by an instrument (duly stamped where necessary) in the form commonly used for transfer of Options at any time until 15 May 2009, subject to any restrictions which may be imposed by ASX if the Company is listed on ASX.
4. Option holders shall be permitted to participate in new issues of securities on the prior exercise of options in which case the Options holders shall be afforded the period of at least nine (9) business days prior to and inclusive of the record date (to determine entitlements to the issue) to exercise the Option.
5. Shares issued on the exercise of the Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares allotted pursuant to the exercise of an Option will rank equally with the then issued ordinary shares of the Company in all respects. Official Quotation of the shares will be sought.
6. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
7. If there is a bonus issue to shareholders, the number of shares over which the Option is exercisable may be increased by the number of shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
8. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Option may be reduced in accordance with Listing Rule 6.22.

LODGEMENT INSTRUCTIONS

Cheques shall be in Australian currency made payable to KTL Technologies Limited and crossed "Not Negotiable". The application for shares on exercise of the options with the appropriate remittance should be lodged at the Company's Registry, Computershare Investor Services Pty Ltd, GPO Box D182, Perth WA 6840.