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21 May 2009

Dear Shareholder,

Share Purchase Plan and Redcliffe Gold Project

I have pleasure in enclosing a Progress Report on Pacrim's Redcliffe Gold Project and documentation for our recently announced Share Purchase Plan ("SPP").

The Share Purchase Plan provides you with an opportunity to acquire additional shares with each shareholder able to apply for up to 830,000 new shares at 0.6 cents each (total \$4,980) or at one of the lesser increments as outlined on the Application Form. The documentation accompanying this letter includes your personalised Application Form together with a letter from the Company's Chairman and the terms and conditions of the SPP.

Funds are being raised under the SPP to assist in funding important ongoing work on the Redcliffe Project. We are continuing exploration to build on the gold resource base as well as assessing near term development opportunities. The attached Progress Report has been prepared to provide you with an overview of the Project and outline the upside potential evident within the Redcliffe Project area. Further detail on the Project is available on the Company website and in releases to the ASX that are available at www.pacrimenergy.com.au.

The SPP will open on 21 May 2009 and close on 17 June 2009. There are a limited number of shares available under the SPP with shareholders submitted applications being dealt with on a "first in time basis". Therefore, should you intend to apply under the SPP, it would be advisable to apply well before the close date if you wish to ensure your application has an increased chance of success. Applications can only be made on the personalised application form that accompanies this letter.

Should you have any questions on the SPP please contact our Share Register, Link Market Services, on (02) 8280 7454.

Yours faithfully,

Rodney Foster (BSc Geology)
Managing Director
Pacrim Energy Limited

