

8,571,429 Ordinary Shares

CAMTEK LTD.

(NIS 0.01 par value per share)

Initially Offered Pursuant to Rights Distributed to Shareholders

To our Clients:

Enclosed for your consideration are materials relating to the rights offering (the "**Offering**") of 8,571,429 ordinary shares (the "**Ordinary Shares**") of Camtek Ltd. (the "**Company**"), at a price of \$1.05 per share (the "**Subscription Price**"). Nontransferable purchase rights ("**Rights**") are being distributed to holders of record of Ordinary Shares ("**Rights Holders**"), at the close of business on July 24, 2002 (the "**Record Date**").

As described in the accompanying Prospectus dated July 24, 2002, you will receive one Right for each 2.5536 Ordinary Shares beneficially owned as of the Record Date. Each Right will entitle you to subscribe for and purchase from the Company one (1) Ordinary Share at the Subscription Price.

The materials enclosed are being forwarded to you as the beneficial owner of Ordinary Shares carried by us in your account but not registered in your name. Exercises of Rights may only be made by the registered holder of Rights and pursuant to your instructions. Accordingly, we request instructions as to whether you wish us to elect to subscribe for any Ordinary Shares to which you are entitled pursuant to the terms and subject to the conditions set forth in the enclosed Prospectus.

Your instructions to us should be forwarded as promptly as possible to permit us to exercise Rights on your behalf in accordance with the provisions of the Offering. The Offering will expire at 5:00 p.m., New York Time, on August 8, 2002.

If you wish to have us, on your behalf, exercise Rights to purchase any Ordinary Shares to which you are entitled, please so instruct us by completing, executing and returning to us the instruction form on the reverse side of this letter.

IF WE DO NOT RECEIVE COMPLETE WRITTEN INSTRUCTIONS IN ACCORDANCE WITH THE PROCEDURES OUTLINED IN THE PROSPECTUS, WE WILL NOT EXERCISE YOUR RIGHTS, AND YOUR RIGHTS WILL EXPIRE VALUELESS.

IF YOUR SHARES ARE HELD THROUGH THE CLEARING HOUSE OF THE TEL AVIV STOCK EXCHANGE, YOU MUST ENSURE THAT THE CLEARING HOUSE OF THE TEL AVIV STOCK EXCHANGE RECEIVES THE REQUIRED DOCUMENTS AND PAYMENT BEFORE 9:00 A.M., ISRAEL TIME, ON AUGUST 8, 2002.

ANY QUESTIONS OR REQUESTS FOR ASSISTANCE CONCERNING THE OFFERING SHOULD BE DIRECTED TO AMERICAN STOCK TRANSFER & TRUST COMPANY, THE SUBSCRIPTION AGENT, AT (800) 937-5449.

Very truly yours,

**INSTRUCTIONS TO RECORD DATE HOLDER
OF CAMTEK LTD. ORDINARY SHARES**

The undersigned acknowledge(s) receipt of your letter and the enclosed materials referred to therein relating to the offering of Ordinary Shares.

This will instruct you whether to exercise Rights to purchase Ordinary Shares distributed with respect to the Ordinary Shares held by you for the account of the undersigned, pursuant to the terms and subject to the conditions set forth in the Prospectus.

1. Please DO NOT EXERCISE RIGHTS for Ordinary Shares.
2. Please EXERCISE RIGHTS for Ordinary Shares as set forth below:

(1 Right = 1 Ordinary Share)

of Rights to be Exercised x Subscription Price = Total Subscription Price
_____ x \$1.05 = \$ _____

Payment in the following amount is enclosed: \$ _____

Please deduct payment from the following account maintained by you as follows:

Type of Account

Account No.

Amount to be deducted: \$ _____

Signature(s)

Please type or print name(s) below

Date: _____

Camtek Ltd.

July 24, 2002

Dear Shareholder:

Camtek Ltd. ("**Camtek**") has commenced an offering (the "**Offering**") of a total of 8,571,429 of its ordinary shares, NIS 0.01 par value per share (the "**Ordinary Shares**"), to existing shareholders of Camtek as of the close of business on July 24, 2002 (the "**Record Date**"), pursuant to nontransferable purchase rights ("**Rights**") to subscribe for and purchase Ordinary Shares at price of \$1.05 per share (the "**Subscription Price**"). Each shareholder will receive one (1) Right for every 2.5536 Ordinary Shares held of record by such shareholder on the Record Date, and the aggregate number of Rights issued by Camtek to each shareholder will be rounded down to the nearest whole number.

Each Right will entitle the holder thereof (the "**Rights Holder**") to subscribe for and purchase at the Subscription Price one Ordinary Share. Holders may purchase all or part of the Ordinary Shares to which they are entitled. The number of Rights to which each holder of record is entitled is printed on the front of the Purchase Rights Certificate which is being mailed to individual record holders.

Enclosed for your review is the Prospectus, related documents concerning the Offering and, in certain cases, a nontransferable Purchase Rights Certificate. The Offering will expire at 5:00 p.m., New York time, or 5:00 p.m., Israel time, as the case may be, on August 8, 2002.

If you are the record holder of your shares and you have chosen to exercise your rights by returning your subscription documents and payments to American Stock Transfer & Trust Company, you must ensure that American Stock Transfer & Trust Company receives all required documents and payments by 5:00 p.m., New York time, on August 8, 2002.

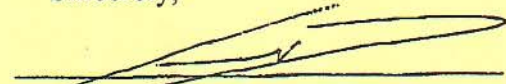
If you are the record holder of your shares and you have chosen to exercise your rights by returning your subscription documents and payments directly to Camtek, you must ensure that Camtek actually receives all required documents and payments by 5:00 p.m., Israel time, on August 8, 2002.

If your Ordinary Shares are held through the clearing house of the Tel Aviv Stock Exchange, the clearing house of the Tel Aviv Stock Exchange must receive all required documents and payments by 9:00 a.m., Israel time, on August 8, 2002, or your rights will not be exercised. If the clearing house of the Tel Aviv Stock Exchange does not receive all required documents and payments before such time and date, your rights will expire and be deemed to have been forfeited.

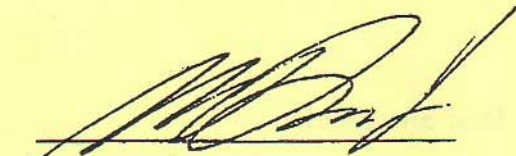
Any questions or requests for assistance should be directed to American Stock Transfer & Trust Company, the Subscription Agent, at (800) 937-5449.

The Offering is being made only pursuant to the Prospectus which sets forth detailed information about Camtek and the Offering. Please read these enclosed materials carefully.

Sincerely,



Rafi Amit
Chief Executive Officer



Moshe Amit
Executive Vice President and Chief
Financial Officer



CAMTEK LTD.
Rights Offering
of
8,571,429 Ordinary Shares

We are offering rights to purchase a total of 8,571,429 ordinary shares of Camtek to existing shareholders of Camtek. Camtek is offering all of the ordinary shares to be sold in the rights offering.

Each existing holder of Camtek ordinary shares will have a purchase right to subscribe for one ordinary share for each 2.5536 ordinary shares held of record by that holder at the close of business at 5:00 p.m., New York City time, on July 24, 2002, at the subscription price set forth below.

This rights offering allows all of the current shareholders of Camtek to maintain their existing proportionate ownership interests in Camtek.

The ordinary shares of Camtek are quoted on the Nasdaq National Market and listed on the Tel Aviv Stock Exchange under the symbol "CAMT." Camtek's Board of Directors has determined that the subscription price of the ordinary shares is \$1.05, the last reported sales price of the ordinary shares on the Nasdaq National Market on July 5, 2002. The last reported sale price of the ordinary shares on the Nasdaq National Market on July 22, 2002 was \$0.94 per share.

The rights will expire at 5:00 p.m., New York City time, on August 8, 2002.

SEE "RISK FACTORS" ON PAGE 5 TO READ ABOUT FACTORS YOU SHOULD CONSIDER BEFORE SUBSCRIBING FOR THE ORDINARY SHARES.

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Prospectus has been prepared in accordance with an exemption granted to us by the Israel Securities Authority (the "ISA") pursuant to Section 35[29] of the Securities Law 1968.

We obtained all the approvals and permits required under applicable Israeli law for the offering of the securities hereunder and for publication of this prospectus.

The fact that we obtained the permit of the ISA for the publication of this prospectus and the approval of the Tel Aviv Stock Exchange ("TASE") for the listing of the ordinary shares does not imply that the ISA or the TASE (i) verify the information contained herein, (ii) approve the accuracy or completeness of such information, or (iii) express any view as to the quality of the securities offered hereunder.

PRICE \$1.05 AN ORDINARY SHARE

	Price to Public	Proceeds to Camtek (1)
Per Share	\$1.05	\$1.05
Total (assuming full exercise)	\$9,000,000	\$9,000,000

(1) Before deducting estimated expenses payable by Camtek of approximately \$291,828.

We expect to deliver the ordinary shares against payment on or about August 16, 2002.

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You should rely only on the information contained or incorporated by reference in this prospectus. No one has been authorized to provide you with different information.

The securities are not being offered in any jurisdiction where the offer is not permitted.

You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of the documents.

WHERE YOU CAN FIND MORE INFORMATION

We file annual reports and other information with the U.S. Securities and Exchange Commission. You may read and copy any document we file at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings also are available to you at the SEC's web site at <http://www.sec.gov>.

The SEC allows us to "incorporate by reference" the information we file with it, which means that we can disclose important information to you by referring you to those documents that are considered part of this prospectus. Information that we file later with the SEC will automatically update and supersede the previously filed information. We incorporate by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until this offering has been completed.

- Annual Report on Form 20-F for the year ended December 31, 2001, which we refer to as our "2001 20-F Report."
- Report on Form 6-K for the month of May 2002, filed with the SEC on May 24, 2002, which we refer to as our "May 2002 6-K Report."

You may request copies of these filings at no cost, by writing or telephoning us at the following address or by accessing our web site at <http://www.camtek.co.il>.

Camtek Ltd.
Ramat-Gavriel Industrial Zone
P.O. Box 544
Migdal Haemek 23150
Israel
Attention: Mr. Moshe Amit
(011-972-4) 604-8100

QUESTIONS AND ANSWERS ABOUT THE RIGHTS OFFERING

What is a purchase right?

We have granted to our shareholders of record as of July 24, 2002, 5:00 p.m., New York City time, a purchase right to subscribe for one ordinary share for each 2.5536 ordinary shares held of record by that holder at the close of business at 5:00 p.m., New York City time, on July 24, 2002, at \$1.05 per share. We call this right the "purchase right."

Why are we offering the purchase rights?

We are offering the purchase rights in order to raise additional capital. We expect to use the proceeds of this offering for working capital and for other general corporate purposes.

Has the board of directors made a recommendation regarding this offering?

The board of directors does not make any recommendation to you about whether you should exercise your purchase rights.

To whom may I direct questions?

If you have questions about the rights or would like to request additional copies of offering documents, you may call American Stock Transfer & Trust Company at (718) 921-8200.

What forms and payment are required to purchase shares?

If you were a record holder of our ordinary shares at 5:00 p.m., New York City time, on July 24, 2002, you are receiving with this prospectus a blank purchase rights certificate and instructions on how to purchase shares. The purchase rights certificate must be properly filled out and delivered before expiration of the rights with full payment for the number of shares you wish to purchase.

What if a broker, bank or other nominee is the record holder of my shares?

If you hold your shares through a broker, bank or other nominee and you wish to purchase shares in the rights offering, please promptly contact the broker, bank or other entity holding your shares. Your broker or other nominee holder must exercise the purchase rights certificate on your behalf for shares you wish to purchase. We have sent separate instructions to all known brokers and banks to assist you in exercising your rights.

To whom should record holders send forms and payment?

Record holders should return their subscription documents and payments to American Stock Transfer & Trust Company at the address indicated in the instructions forwarded with this prospectus.

Record holders may also return their subscription documents and payments directly to Camtek at the address indicated in the instructions forwarded with this prospectus. If your shares are held through the clearing house of the Tel Aviv Stock Exchange, you may also, through your stock exchange member, return your subscription documents and payments to the clearing house of the Tel Aviv Stock Exchange. The clearing house of the Tel Aviv Stock Exchange will forward the payment directly to Camtek.

Must I pay the subscription price in cash?

In order to participate in the offering, you must timely pay the subscription price in U.S. Dollars by money order or cashier's check or by check drawn on a bank located in the United States, payable to American Stock Transfer and Trust Company, that clears before expiration of the rights.

If you are the record holder of your shares and you have chosen to exercise your rights by returning your subscription documents and payments directly to Camtek, you must timely pay the subscription price in U.S. Dollars by money order or cashier's check or by check drawn on a commercial bank located in Israel, payable to Camtek, that clears before expiration of the rights.

If your shares are held through the clearing house of the Tel Aviv Stock Exchange, you must timely pay the subscription price in U.S. Dollars, through your stock exchange member, to the clearing house of the Tel Aviv stock exchange. The payment must be made by the means required by your stock exchange member.

How are shareholders affected if they do not exercise any rights?

You are not required to exercise any rights or otherwise take any action in response to this rights offering. If you do not exercise any rights, the number of shares which you own will not change, but your percentage ownership of our total issued ordinary shares will decline.

How soon must I act?

If you are the record holder of your shares and you have chosen to exercise your rights by returning your subscription documents and payment to American Stock Transfer & Trust Company, you must ensure that American Stock Transfer & Trust Company actually receives all required documents and payments by 5:00 p.m., New York time, on August 8, 2002.

If you are the record holder of your shares and you have chosen to exercise your rights by returning your subscription documents and payments directly to Camtek, you must ensure that Camtek actually receives all required documents and payments by 5:00 p.m., Israel time, on August 8, 2002.

If your shares are held through the clearing house of the Tel Aviv Stock Exchange, you must ensure that the clearing house of the Tel Aviv Stock Exchange actually receives all required documents and payments by 9:00 a.m., Israel time, on August 8, 2002. If the clearing house of the Tel Aviv Stock Exchange does not receive all required documents and payments before that time and date, your rights will expire and be deemed to have been forfeited.

What fees or charges apply if I do choose to exercise my rights?

We are not charging any fee or sales commission to issue rights to you or to issue shares to you if you exercise rights. If you exercise rights through a broker or other holder of your shares, you are responsible for paying any fees that person may charge.

May I transfer my rights?

No. The rights are not transferable or tradable. In addition, the Tel Aviv Stock Exchange rules regarding continuous exercise will not apply to the rights.

May I change or cancel my exercise of rights after I send in the required forms?

No. Your election to exercise your rights is irrevocable.