



ACN 092 471 513

2 May 2007

Dear Shareholder

**Non-renounceable entitlements issue**

As indicated in the November 2006 prospectus the Directors committed to an offer of options to shareholders of the company approximately 3 months after the company's listing on ASX.

Yesterday the Directors lodged a prospectus with ASIC and ASX for a pro-rata non-renounceable entitlement offer of options at an issue price of one cent (\$0.01) each to shareholders, on the basis of one option for every 2 shares held at 5pm WST on 9 May 2007 ('Record Date'). Fractional entitlements will be rounded down to the nearest whole share.

The principal purpose of the offer is to provide a benefit to shareholders who have retained their shares through to the Record Date by enabling them to acquire options to subscribe for additional shares in the Company at an exercise price of 25 cents each and an expiry date of 30 June 2009.

Assuming all shareholders accept their full entitlements the company will raise approximately \$277,000 from the offer (before costs of the offer). These funds will be applied initially towards the costs of the offer with the balance to be applied towards working capital.

The closing date for acceptance of the offer is 12 June 2007. The issue is fully underwritten. However, the Directors recommend that all shareholders take up their entitlements.

Shareholders should review carefully the risks set out at Section 8 of the Prospectus, which will be mailed to all shareholders, and those in the November 2006 Prospectus.

The quoted and unquoted securities on issue in the Company following completion of the Entitlements Issue, assuming all existing options are exercised prior to the Record Date, will be as follows:

**Quoted:**

41,949,556 Fully paid ordinary shares

29,209,096 Options at an exercise price of \$0.25 expiring on 30 June 2009

**Unquoted:**

13,468,636 Fully paid ordinary shares subject to escrow

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**PRINCIPAL AND REGISTERED OFFICE**

14/16 Twickenham Road  
Burswood WA 6100

Tel: +61 (0)8 6250-9415  
Fax: +61 (0)8 6250-9449

The Company will apply for official quotation by ASX of the options to be issued pursuant to the entitlements issue.

The timetable\* for the entitlements issue is as follows:


Lodgement of Prospectus and Appendix 3B	1 May 2007
Notice sent to Shareholders containing information required by Appendix 3B	2 May 2007
Shares commence trading ex Entitlement basis	3 May 2007
Record Date for determining Entitlements	9 May 2007
Prospectus despatch date and Opening Date	14 May 2007
Closing Date of the Offer	12 June 2007
Deferred settlement trading commences	13 June 2007
Issue of Options & despatch of holding statements	19 June 2007

\* These dates are indicative only and are subject to change without notice, subject to the provisions of the Corporations Act and the Listing Rules. The Directors may extend the period of the Offer at their discretion. As such, the date the Options are expected to commence trading on ASX may vary.

The Directors take this opportunity to thank shareholders for their support since the Company's listing on ASX and look forward to your continued support in the future.

Please feel free to contact me if you have any queries.

Yours sincerely



**Adrian Griffin**  
Chairman

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