

29 August 2011

The Manager
Company Announcements Platform
Australian Securities Exchange

Placement of Shares

The Company advises that it has entered into Agreements with investors under which they will subscribe for a placement of 96,000,000 of ordinary shares at an issue price of \$0.0025 per share to raise \$240,000 for working capital purposes.

The placement of these shares will be completed later this week. The Company will apply for listing of the shares on the ASX and will complete a formal New Issue Announcement.

In relation to the Convertible Notes issued in May 2009, the issue of the above additional securities will result in a variation to the original conversion price of \$0.0045 to the new conversion price of \$0.0020. In the event that all of the convertible note holders decide to exercise their right of conversion the number of shares that would be issued would increase from 322,222,190 to 725,000,000 shares.

Yours faithfully



Michael Capocchi
Managing Director