



10 September 2012

[Address of Shareholder]

Dear Shareholder

NOTICE OF OFFER OF A ONE FOR TWO NON RENOUNCEABLE ENTITLEMENT ISSUE TO
SHAREHOLDERS AND THE INDICATIVE TIMETABLE

The Board of Directors is pleased to advise you that it will invite shareholders of the Company who are registered as shareholders ("Eligible Shareholders") as at 5.00 pm Perth WST time on the record date ("Record Date") specified in the indicative timetable enclosed herewith ("Indicative Timetable") to participate in its September 2012 one for two non renounceable entitlement issue ("Entitlement Issue").

The Entitlement Issue will offer each Eligible Shareholder the right to subscribe for one (1) new share ("New Share") in the capital of the Company for every two (2) shares held by that shareholder on the Record Date, at an issue price of 2.5 cents per New Share to raise up to \$935,381 before expenses of the Entitlement Issue. The Entitlement Issue will be fully underwritten by KSLcorp Pty Ltd ("KSL") and will result in the Company issuing approximately 37,415,223 New Shares. KSL will be paid an underwriting fee equal to 5% of the dollar amount underwritten plus applicable GST. The directors of the Company have agreed to sub underwrite up to \$90,000 of the Entitlement Issue for a fee of 3%.

The New Shares will rank equally with the Company's existing shares and application will be made for them to be listed on ASX.

The Eligible Shareholders subscribing to the Entitlement Issue will do so without being required to pay brokerage or other costs that would normally apply to an on-market purchase of shares.

The offer under the Entitlement Issue will be non-renounceable. This means that the Eligible Shareholder cannot transfer their entitlement to subscribe for New Shares under the offer to anyone else.

An offer document relating to the Entitlement Issue will be despatched to Eligible Shareholders on or about the date specified in the Indicative Timetable. A copy of the offer document will be placed on the Company's website.

The dates shown on the Indicative Timetable are determined based on the current expectations of the Directors. The Directors reserve the right to modify or terminate the Entitlement Issue and the indicative timetable (in accordance with the listing rules) at any time. Any modification or termination will be notified to the ASX Limited.

No Offer will be made to Eligible Shareholders resident outside Australia and New Zealand.

Where the entitlement of an Eligible Shareholder results in a fraction of a New Share, such fraction will be rounded down to the nearest whole New Share.

CAPITAL STRUCTURE

The capital structure of the Company immediately following the completion of the Entitlement Issue, assuming all available rights are taken up and none of the Company's Option holders exercise their options, is expected to be as follows:

Shares	Number
Shares on issue at date of this offer	74,830,446
New Shares offered	37,415,223
Total Shares on issue at completion of the offer	112,245,669

INDICATIVE TIMETABLE

The Indicative Timetable for the Entitlement Issue is as follows:

Announcement of Entitlement Issue and Application for Quotation of New Shares (Appendix 3B)	Friday, 7 September 2012
Letter to Shareholders advising of Entitlement Issue	Monday, 10 September 2012
Ex-Date: Shares Quoted ex-Entitlement	Wednesday, 12 September 2012
Record Date	Tuesday, 18 September 2012
Issue Cleansing Notice in accordance with Section 708AA of Corporations Act	Monday, 24 September 2012
Despatch offer of Entitlement Issue to Eligible Shareholders	Monday, 24 September 2012
Closing Date	Tuesday, 9 October 2012
Securities quoted on a deferred settlement basis	Wednesday, 10 October 2012
Notification of under subscriptions	Friday, 12 October 2012
Allotment of securities and deferred settlement ends	Tuesday, 16 October 2012

If you have any questions concerning the proposed Entitlement Issue, please do not hesitate to contact Katina Law or Ernie Myers on (08) 92273270.

Yours faithfully

Katina Law
Chief Executive Officer