

11 July 2011

Company Announcements Office  
Australian Securities Exchange Limited

### **Update on Legal Matters and S249D Notice**

The Company would like to provide an update on the legal actions challenging the EGM of 21 March 2011 and the purported S249D Notice.

#### ***Thaler Writ***

Following the discontinuation of the writ by Mr Thaler, the Company is pursuing Mr Thaler and his agent, Mr Koncepolski, for costs. The Supreme Court has listed the Company's bill of costs for a taxation hearing on Tuesday 9 August 2011. The Company is yet to receive a listing date for the second bill of costs filed in the WA proceedings (addressing security for costs).

#### ***Carson Writ***

Mr Carson commenced proceedings against the Company challenging the results of the EGM and seeking interlocutory relief to prevent the present private placement of 13.5 million shares. The latter was dismissed by the court, and costs awarded against Mr Carson. The Company is seeking to enforce this cost order but the Company's bill of costs for a taxation hearing has yet to be listed.

The balance of the writ remains current and the Company has filed a notice of motion to have the NSW Federal Court proceedings transferred to either the WA District Registry (of the Federal Court) or the Supreme Court of WA. A date for this hearing has not yet been set.

#### ***S 249D Notice***

Mr Koncepolski issued a s249D Notice on behalf of parties purporting to hold more than 5% of the shares of the Company, to require the Company to convene a shareholders' meeting to vote on the removal of Messrs Oh, Revell and Tay and to appoint Messrs Carson and Koncepolski as directors. Following legal advice, the Company rejected this notice as the documents supported did not meet the Corporations Act (2001) requirements. The Company has not received any further correspondence on this matter since the 6<sup>th</sup> of July 2011.

Regardless of the aforementioned legal issues the Company continues to focus on carrying on business as usual and hope that these matters will come to their rational outcome of being discontinued.

Yours faithfully

Michael van Uffelen  
CFO and Company Secretary