



ASX ANNOUNCEMENT
13 December 2011

ISSUE OF SHARES

On 21 October 2011, the Company announced that Mariner Corporation Limited would provide the services of Darren Olney-Fraser as Acting Managing Director for 3 months.

The agreed fee for this engagement is \$75,000 payable in shares at \$0.0067 cents per share, which is 11,194,029 shares.

The Company issued those shares to Mariner on 25 November 2011. An Appendix 3B and Substantial Shareholder Notice was lodged on that day.

The Company believed it was able to issue those shares under the 15% placement rule without shareholder approval, following the Annual General Meeting, however the Company has now been advised that because shares had already been issued under the 15% placement rule during the previous 12 months the issue of shares to Mariner was not permitted under the Listing Rules.

As a consequence the Company has cancelled the Mariner share issue today.

An extraordinary meeting of shareholders will be called to approve the issue of shares to Mariner. A date of the meeting will be set by the Board, and shareholders will then receive a Notice of Meeting.

Adrian Olney
Company Secretary