SafeEffect™
TECHNOLOGIES

Investor Presentation – March 2006

Overview

- Introduction
- Overview of Technology
- Company Activities
- Corporate
- Financials

Sealed Integrated Braking System

KEY PRODUCT APPLICATIONS

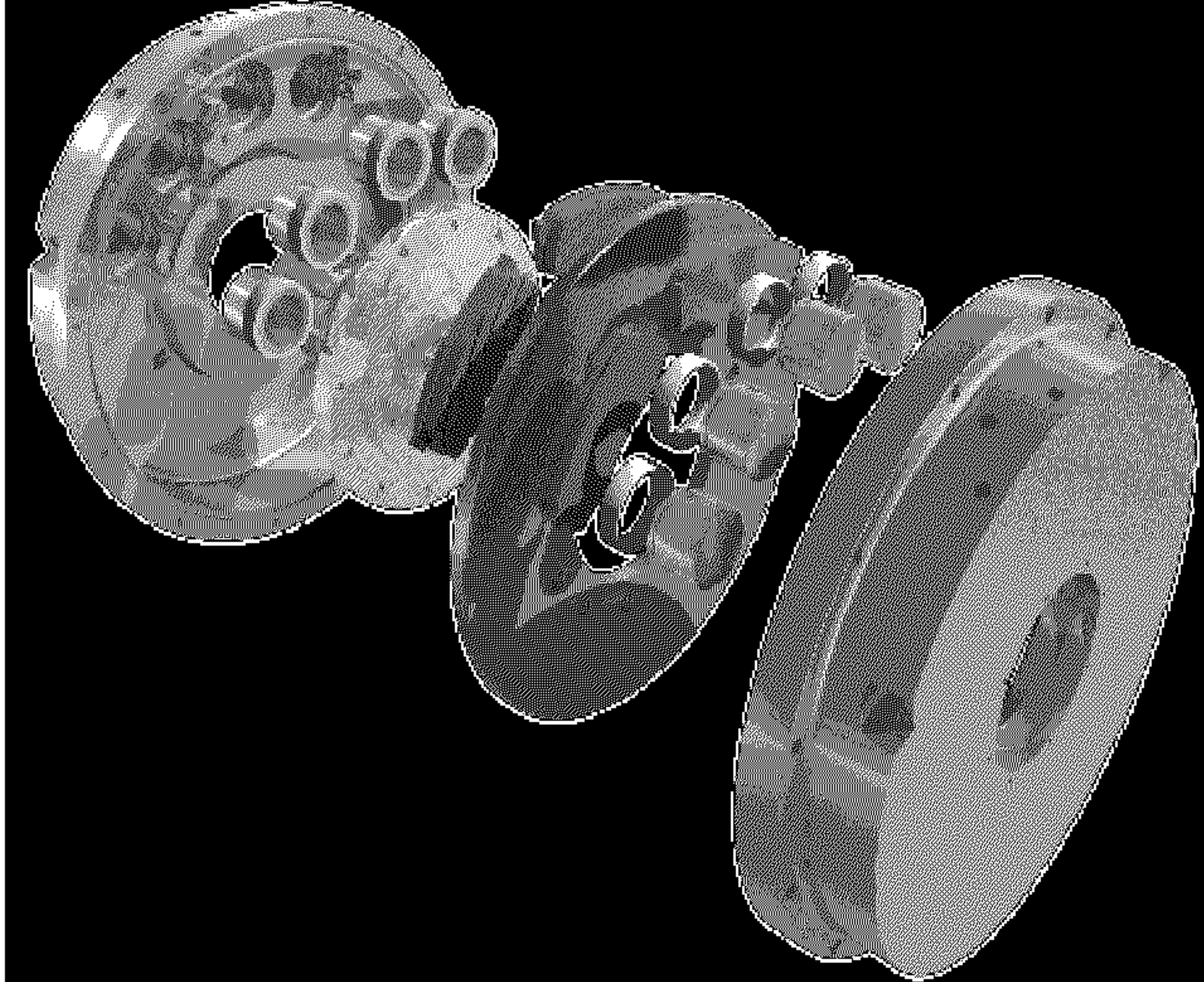
Light Commercial Vehicles Brakes

Heavy Mining / Construction Vehicles Brakes

Heavy Goods / Passenger Vehicles Brakes

Heavy / Light Industrial Brakes

SIBS®



Breakthrough **Features**

www.safeeffect.com

SIBS®

A safer, high speed, fully enclosed brake

Exposed rotor and pads

Retrofit, fully enclosed brake

SafeEffect TECHNOLOGIES

Braking Issues

Key issues faced by users

Hazardous zones

Harsh mining environments

Conventional brakes

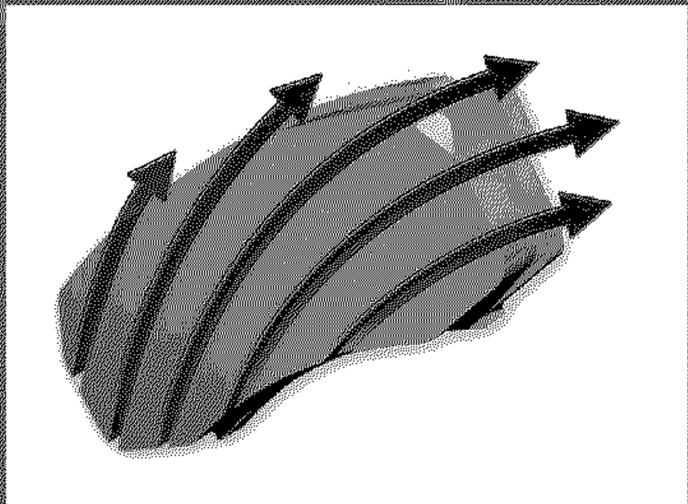
- Parts wear rapidly
- High maintenance
- Downtime costs
- No Fail Safe features

SIBS BRAKES

SAFE, CONSISTANT AND RELIABLE BRAKING

ALL THE TIME

SIBS Spiroidal Groove Pads, Cooling Manifolds



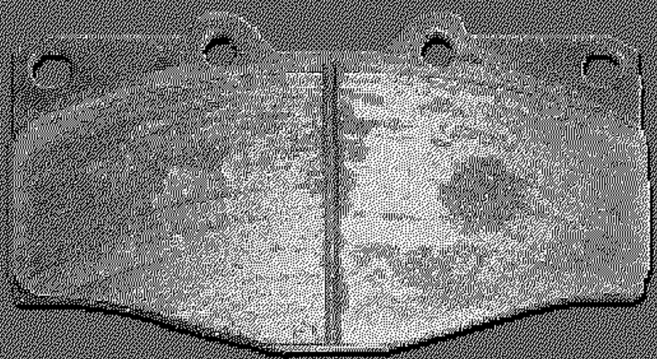
◁ **SIBS Grooved Brake Pad**

Achieve rapid removal of fluid from brake pad

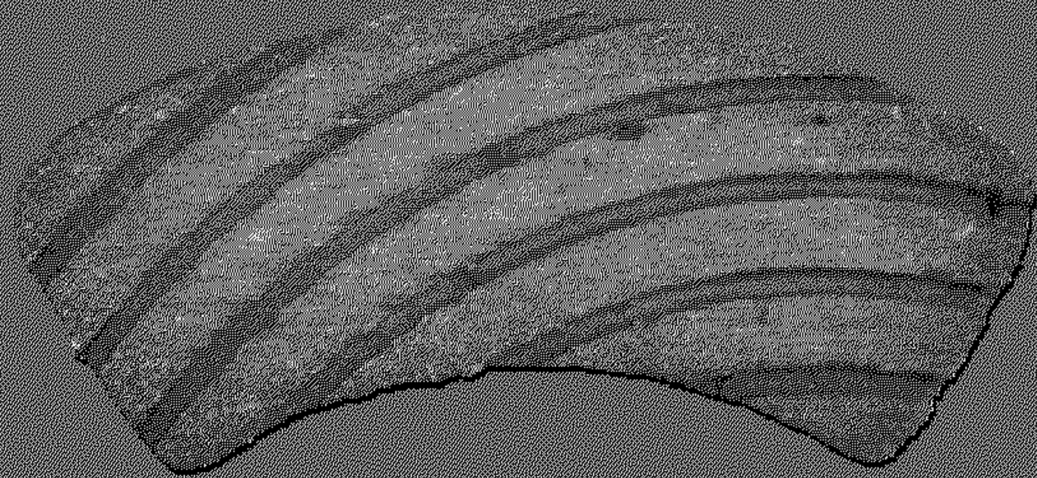
Reduced brake pad wear → Reduced maintenance

- Always safe / reliable
- Durable, life time cost benefit
- High speed capability, optimum performance

SIBS®



Conventional Dry Brake Pad



SIBS Grooved Brake Pad

Comparative wear rates over the same operating time and conditions

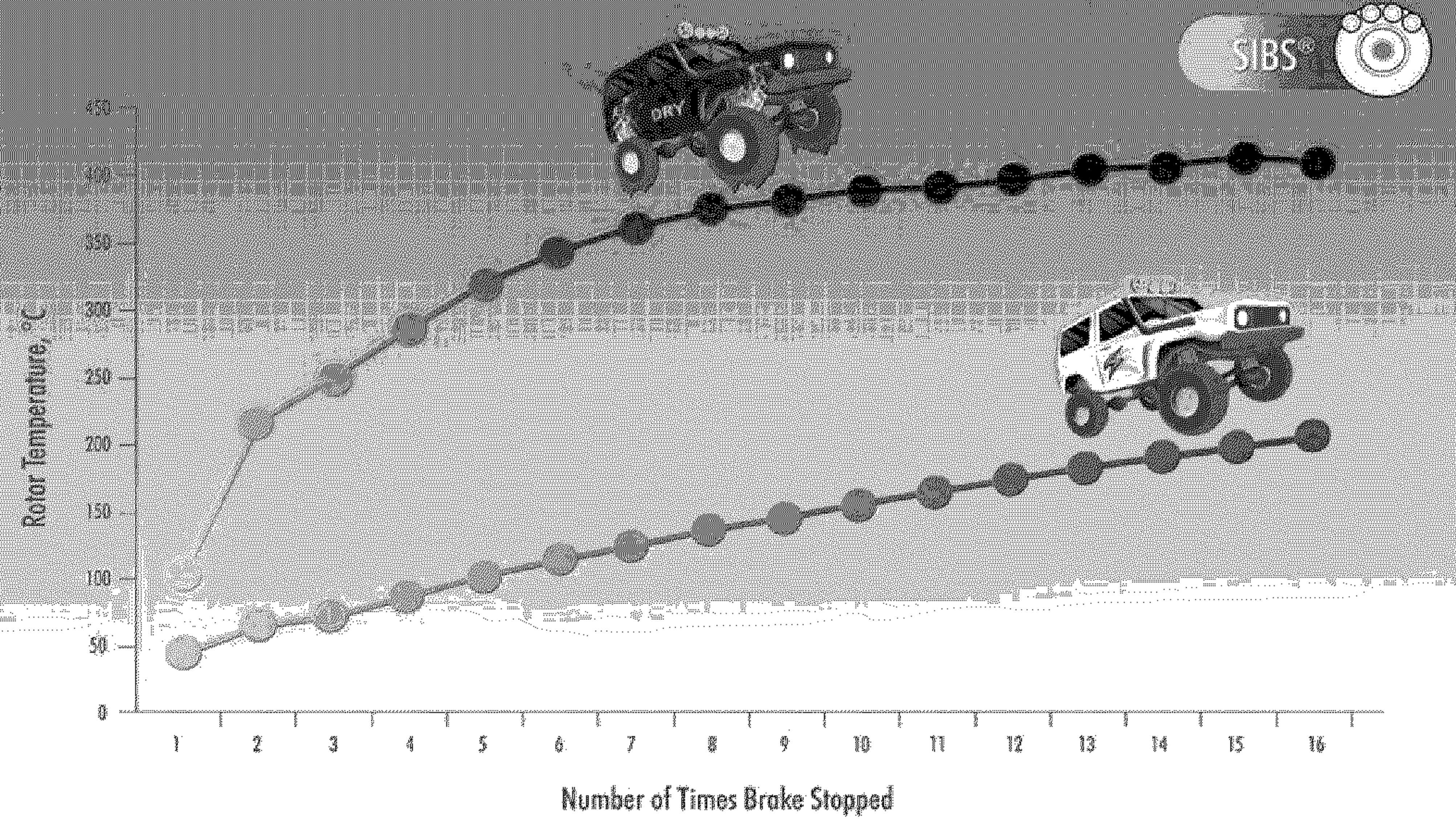
SIBS

Maintenance Savings

- Extremely low wear rate
- Life time cost saving benefit
- Enclosed brakes – exclusion of abrasive particles from critical braking surfaces
- Effective temperature management

COST OF SIBS (INC. GST)	11,628	
INSTALLATION (AVERAGE)	1,280	
SUB TOTAL (TOTAL COST OF SIBS)	12,908	
COST OF BRAKE SERVICE		
VEHICLE OPERATOR DOWNTIME	80	4
MECHANICAL FITTER WAGES/OVERHEADS	90	4
PRODUCT COSTS		
HEAVY DUTY BRAKE PADS	60	Every Service
ROTORS	115	Every 3 Services
CALIPERS	240	Every 6 Services
SUB TOTAL (AVE. COST PER SERVICE)	956.66666666666	
PRODUCTIVITY COSTS		
VEHICLE RATE PER HOUR	150	
HOURS VEHICLE OUT OF SERVICE PER ANNUM	120	
LOSS OF REVENUE PER ANNUM	18,000	
NUMBER OF BRAKE SERVICES PER ANNUM		
COST PER VEHICLE PER ANNUM	18,000	
PAYBACK PERIOD	9	MONTHS
SAVINGS PER MONTH AFTER PAYBACK	1,500	

Fade Test Rotor Temperature Response



Safer Brake

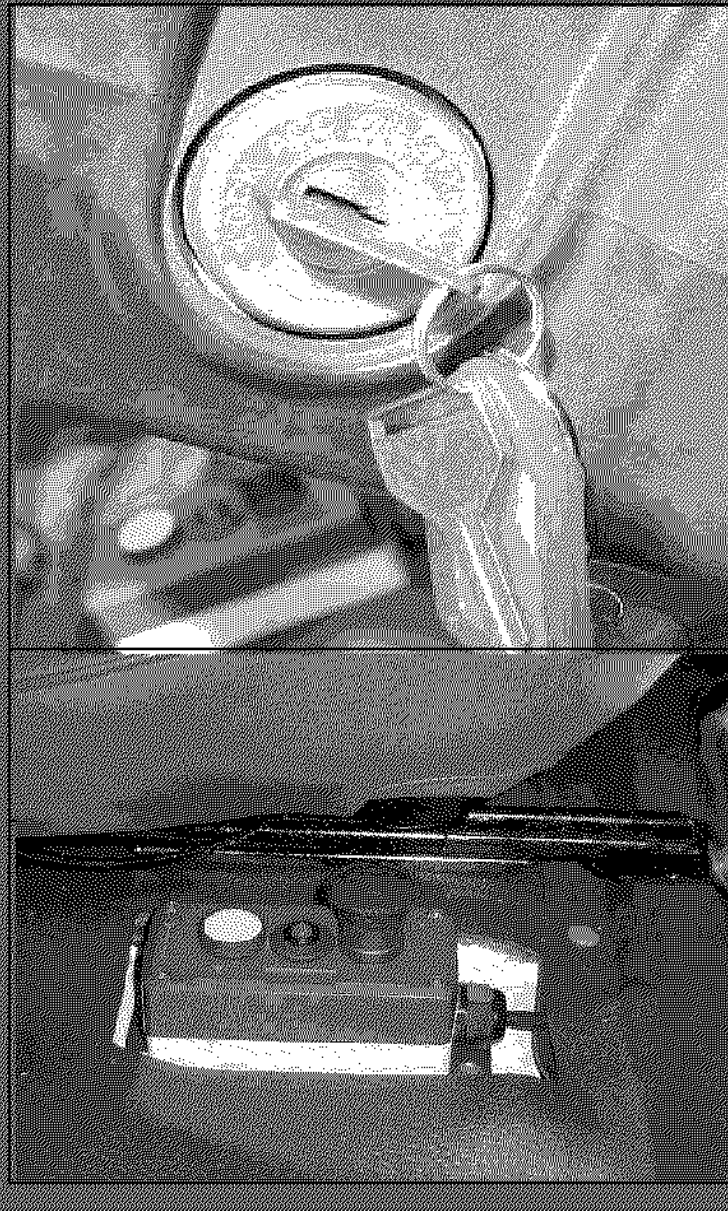
SIBS™ Effective temperature control

Additional Safety Enhancement

EMMA™

Electronically Modulated Mechanically Applied Failsafe Brake

immediately senses dangerous factors



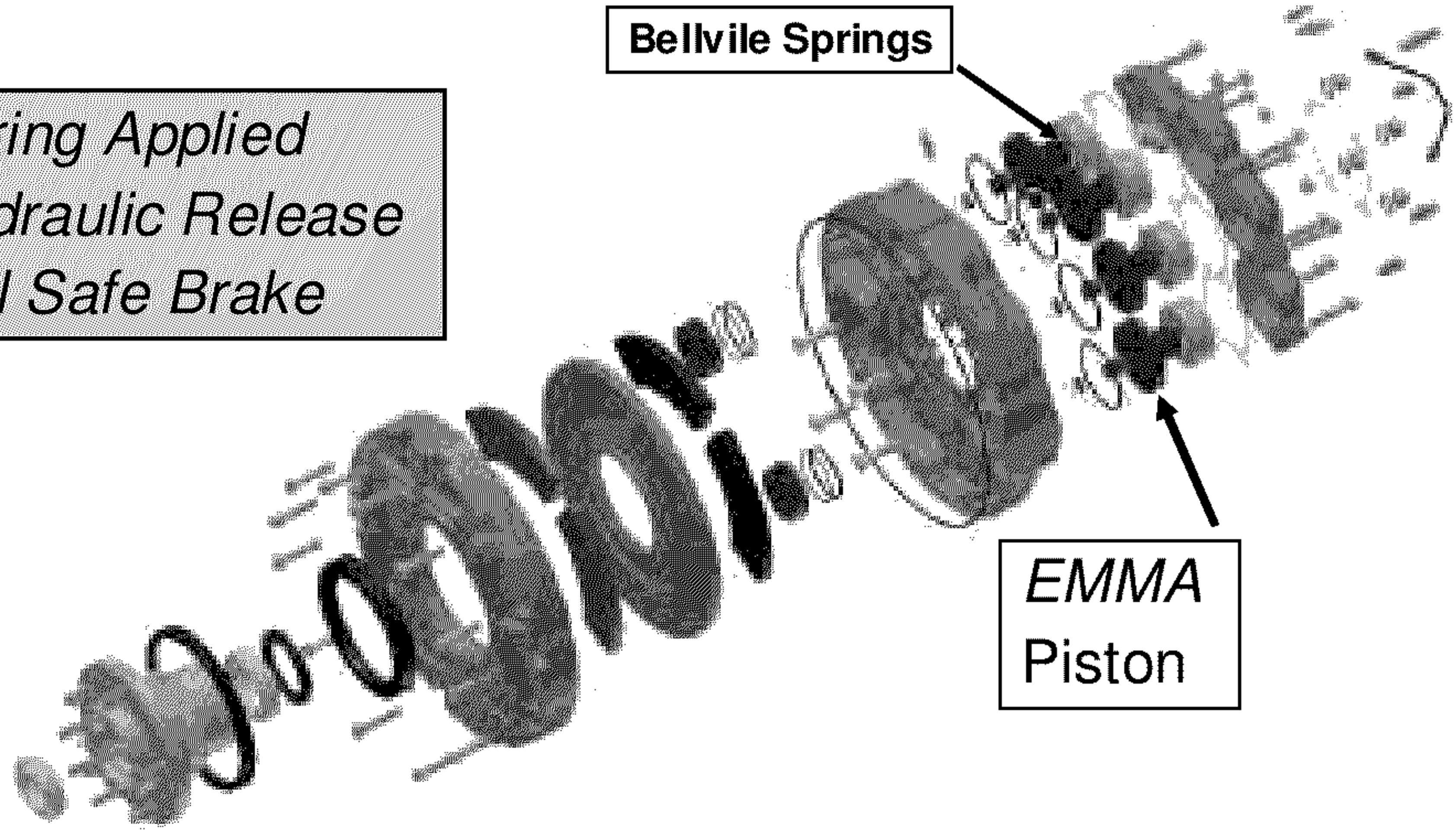
Examples:

- Door not closed properly
- Forgetting to pull the handbrake
- Hydraulic/electrical failure

Extra safeguard in frustrating and distractive working conditions

Rear Brake Assembly

Spring Applied
Hydraulic Release
Fail Safe Brake



SIBS®

Stringently tested, proven record in most rugged operating environments

<u>Independently passed</u>:

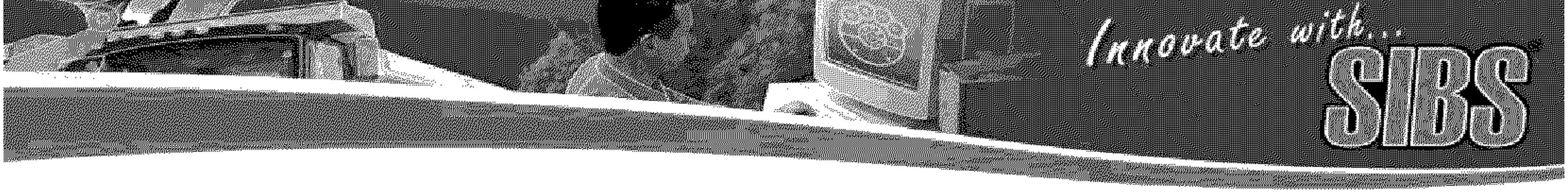
Australian Design Rule (ADR) testing - passed ADR 35/01

South African Bureau of Safety (SABS) testing

USA & Canada mine tests

Company Activities

- Manufacture and sale of a unique high value product
- Active supplier to mining and mining service companies
- Developer of advanced braking solutions for mining, transport and industrial applications

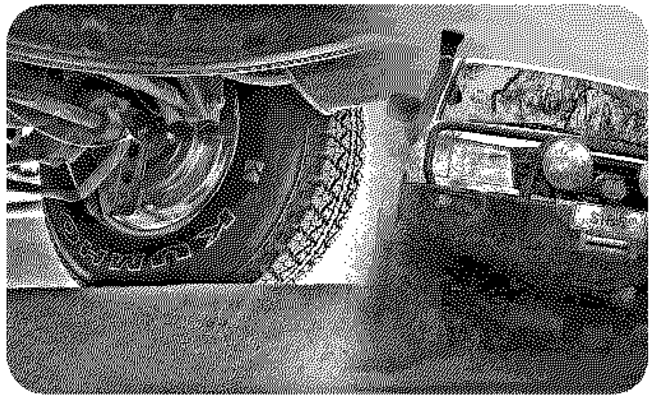


Recent Achievements

- Successful completion of $9 million fund raising
- Acquisition of 100% of IP Rights
- Business plan in place to achieve break even operation this calendar year
- Stable and ongoing supply of quality product from Thai operation.
- ADR Design Approval for Landcruiser Range
- ISO 9001 quality accreditation
- Marked increase in inquiry rate for Landcruiser brakes
- Serious discussion with several 3rd parties for new product applications
- Scheduling ASX trading on or before March 31

Overview of Development Activity (1)

- Light Commercial Vehicles
  - Toyota Land Cruiser (LCV1)
    - Frozen Design
  - Toyota Hilux
    - Modification of LCV1 under development
    - Initial development for rear only
  - Other
    - Pajero
    - Isuzu
    - Canter
    - Nissan Patrol
    - Ford 250
    - GMC



Development will proceed subject to market demand

Overview of Development Activity (2)

- Mining Equipment
  - Un-A-Trac
    - Frozen Design
  - Heavy Axle Brake
    - New Development
    - Basis for Truck Brake
  - Truck Brake
    - Requires product development
- Industrial Equipment
  - Gearbox Brake
    - Base design established
  - Other
    - Drill rig
    - Heavy haulage trailer

Track Record - Products in Field

Over 700 units in the field

- LCV1 – Landcruiser
- UN-A-TRAC
- OTHER – gearbox brake

Trial Units under current evaluation (LCV1)

– BHP, Newcrest, Placer, Xstrata, St Barbara, Macmahons, Worsley, Minara, Roche, Freeport, Ok Tedi.

Sales Activity

- Two Australian Re-sellers active
- DBT (USA) – Un-a-trak
- Mobile Parts (Canada) – modified LCV1
- BHP Billiton's "Fatal Risk Protocol"
  - guideline to incorporate "Fail-Safe" brakes on personnel carriers operating underground capable of carrying more than 2 personnel.
  - SIBS fulfills this guideline on Toyota Landcruisers.
- Development projects for 3 new products being discussed with 3rd parties in Australia and overseas.

Production Activity

- Assembly Operation in Thailand
- All vendors selected and qualified
- Continuous quality improvement
- Production processes confirmed
- Production Capacity – 150 – 200 sets p.m.
- Cost down program showing good savings – COGS and head count
- Producing 40 sets per month

Growth Strategy

- Establish core business out of current mature products (LCV1 and Un-A-Trac)
- Develop spare parts business
- Develop derivatives of mature products (eg Hilux,Canter, Pajero, etc)
- Develop new products with customer support
- Seek to offset R & D spend with customer or grant funding
- Establish engineering as a profit center
- Gain revenue from application engineering
- Seek to grow market penetration and revenue by licensing 3rd parties

Corporate

- New Management Team in place
  - CEO – Ken Johnsen
  - CFO – Ross Blakey
  - Director of Sales – Joe Davey
- Trading on ASX imminent
- Most legacy issues resolved
- Simplified structure now in place

Financial

- Focusing of near term profitability and positive cash flow from mature products
- Operational costs under constant review
- Active in securing 3rd party contribution to new product development
- Business plan assumes sales doubling from 35 set per month to 60 sets by August 06 rising to 200 per month over 18 months
- Breakeven at 60 - 70 per month
- Forecast following based on assumed sales – not confirmed orders

PROFORMA PROFIT AND LOSS

Based on current sales estimates

PROFIT AND LOSS	Financial Year ending 30 June			
	Actual	Forecast	Forecast	Forecast
NARRATIVE	6 Mths 2005	6 Mths 2006	Total 2006	2007
	('000)	('000)	('000)	('000)
SALES	395	2,689	3,084	16,438
COGS	701	1,284	1,985	6,747
Gross Profit	(306)	1,405	1,099	9,691
% GP		52%	36%	59%
Other Income	8	150	158	513
Gross Income	(298)	1,555	1,257	10,203
OH AUST (less Dep'n, Interest)	1,364	1,821	3,185	3,078
OH THAI (less Dep'n)	190	287	477	587
TOTAL OH	1,555	2,108	3,662	3,665
EBITDA	(1,853)	(553)	(2,406)	6,538
EBIT	(1,868)	(609)	(2,476)	6,439
EBT	(2,048)	(867)	(2,915)	5,983

BALANCE SHEET - ECONOMIC ENTITY

SAFE EFFECT TECHNOLOGY LIMITED

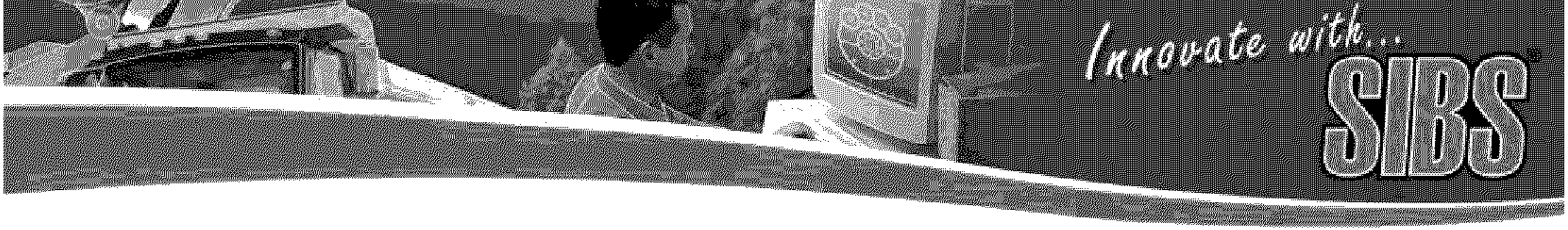
Financial Years Ending 30 June

	Notes	Proforma 6 months to Dec 2005	2006 F'cast	2007 F'cast
		('000)	('000)	('000)
CURRENT ASSETS				
Cash assets		2,598	1,416	5,458
Receivables	Note 1	781	1,320	3,226
Inventories	Note 2	804	744	698
Total current assets		4,183	3,481	14,393
NON-CURRENT ASSETS				
Property, plant & equipment		207	97	11
Intangibles		892	892	892
Investment in SETI		2,500	2,500	2,500
Total non-current assets		3,600	3,489	3,403
TOTAL ASSETS		7,783	6,970	12,775
CURRENT LIABILITIES				
Payables	Note 3	2,104	2,290	2,176
Interest bearing liabilities		-	-	-
Other Creditors		65	(67)	(131)
Total current liabilities		2,169	2,223	2,045
NON-CURRENT LIABILITIES				
Loans		77	77	77
Interest bearing liabilities – Convertible Note		2,737	2,737	2,737
Total non-current liabilities		2,814	2,814	2,814
TOTAL LIABILITIES		4,982	5,037	4,859
		-		-
NET ASSETS		2,800	1,933	7,916
EQUITY				
Contributed equity		31,749	31,749	31,749
Reserves		162	162	162
Accumulated losses		(28,343)	(28,343)	(29,978)
Current year gains/losses		(768)	(1,635)	5,983
TOTAL EQUITY		2,800	1,933	7,916

~360 million share on issue

Current Priorities

- Focus on a roll out of current mature products
- Build on growing customer confidence and excellent in-field performance
- Deliver quality products
- Implement growth strategy
- Establish investor confidence
- Achieve positive cash flow



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