SafeEffect™
TECHNOLOGIES
Safe Effect Technologies Limited
ABN 66 099 107 623

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20 March 2006

AUSTRALIAN STOCK EXCHANGE LIMITED

Electronic lodgement

Dear Sir / Madam

Notice of Compulsory Acquisition

We refer to Safe Effect Technologies Limited's (**SETL**) off-market takeover bid (**Takeover**) for all of the ordinary shares in Safe Effect Technologies International Limited (**SETI**).

As previously announced SETL is entitled under section 661B of the Corporations Act 2001, to compulsorily acquire all outstanding SETI shares which have not been acquired by SETL under the Takeover. A Notice of Compulsory Acquisition following Takeover Bid is attached.

Yours faithfully
SAFE EFFECT TECHNOLOGIES LTD

D McArthur

DAVID McARTHUR
Company Secretary

ASIC registered agent number

lodging party or agent name Q Legal

office, level, building name **or** PO Box no. Level 4

street number and name 105 St Georges Terrace

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ASS. REQ-A CASH. REQ-P PROC.

Australian Securities & Investments Commission

form **6021**

Corporations Act 2001

661B(1)(a)

Notice of

compulsory acquisition following takeover bid

To (1)

Securities of Safe Effect Technologies International Limited (2) ("the Company")

1. Under an * Off Market Bid offers were made by Safe Effect Technologies Limited (3) in respect of the acquisition of ordinary shares (4) in the Company. The offers * closed on 22 February 2006 (5).

2. You are, or are entitled to be, registered as the holder of securities in respect of which an offer was made, but have not accepted the takeover offer.

3. The bidder hereby gives you notice under subsection 661B(1) of the Corporations Act 2001 ("the Act") that the bidder has become entitled pursuant to subsection * 661A(1) of the Act to compulsorily acquire your securities and desires to acquire those securities.

4. Under section 661D of the Act, you have the right, by notice in writing given to the bidder within one month after this notice is lodged with ASIC, to ask the bidder for a written statement of the names and addresses of everyone else the bidder has given this notice to.

5. ~~(6) You are entitled, within one month after being given this notice, or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, by notice in writing to the bidder, to elect which of the following forms of consideration will apply to the acquisition of your securities~~ (7).

   ~~If you do not elect which of the alternative forms of consideration will apply to the acquisition of your securities, the form of consideration that will apply will be~~ (8).

6. Under section 661E of the Act, you have the right, within one month after being given this notice or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, to apply to the Court for an order that the securities not be compulsorily acquired.

7. The bidder is entitled and bound to acquire the securities on the terms that applied under the takeover bid immediately before * the end of the offer period.

8. Unless on application made by you under section 661E within one month after being given this notice (as referred to in paragraph 6 of the notice) or within 14 days after being given a statement under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, the Court otherwise orders, the bidder must comply with paragraph 7 of this notice.

Signature

print name David McArthur capacity Company Secretary

sign here date / /

DIRECTIONS

* Delete whichever does not apply.

(1) Name and address of holder.

(2) Name of target company or body.

(3) Name of bidder.

(4) Insert description of class of securities to which the bid related.

(5) Insert date offers closed or are scheduled to close.

(6) Insert paragraph 5 only where alternative terms are included in the offer.

(7) Insert details of alternative terms.

(8) Set out the terms that will apply.