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

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4 April 2006

AUSTRALIAN STOCK EXCHANGE LIMITED

Electronic lodgement

Dear Sir / Madam

Short Form Prospectus

Please find attached a copy a short form prospectus (**Prospectus**) issued by Safe Effect Technologies Limited (**Company**) in relation to the offer of 5,000 ordinary shares in the Company at 10 cents each to raise $500. The Prospectus was lodged with ASIC today.

The purpose of the Prospectus is to facilitate trading in shares previously issued by the Company in accordance with section 708A(11) of the Corporations Act 2001 (Cth).

Yours faithfully
SAFE EFFECT TECHNOLOGIES LTD

D McArthur

DAVID McARTHUR
Company Secretary

SafeEffect™
TECHNOLOGIES
Safe Effect Technologies Limited

Short Form Prospectus

In relation to the issue of 5,000 Shares at $0.10 each to raise $500

THIS PROSPECTUS HAS BEEN ISSUED TO FACILITATE SECONDARY TRADING OF SHARES RECENTLY ISSUED, AND TO BE ISSUED, BY THE COMPANY WITHOUT DISCLOSURE. IT PROVIDES IMPORTANT INFORMATION TO ASSIST INVESTORS IN DECIDING WHETHER OR NOT TO INVEST IN THE COMPANY AND SHOULD BE READ IN ITS ENTIRETY. IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH THIS DOCUMENT, PLEASE CONSULT YOUR PROFESSIONAL ADVISER.

Contents

1. Important Information

This Prospectus is dated 4 April 2006 and a copy of this Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus after the Closing Date. The Closing Date must not be later than 13 months after the date of this Prospectus.

This Prospectus will be issued in paper form and as an electronic prospectus, which may be viewed online at www.safeeffect.com. Any person may obtain a hard copy of this Prospectus by contacting the Company. The Offer is available to persons receiving an electronic version of this Prospectus in Australia. The Corporations Act prohibits any person from passing onto another person the Application Form unless it is attached to or accompanied by a complete and unaltered version of this Prospectus. During the Offer Period, any person may obtain a hard copy of this Prospectus by contacting the Company.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company in connection with the Offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make an offer. No action has been taken to register or qualify the Shares or the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia.

Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisors before deciding whether to apply for Shares. There are risks associated with an investment in the Company and the Shares offered under this Prospectus must be recognised as a speculative investment. The Shares offered under this Prospectus carry no guarantee as to the return on capital investment, payment of dividends or future value.

Certain abbreviations and other defined terms are used throughout this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in section 16 of this Prospectus.

2. Corporate Directory

Directors

Mr Roger Cowan (Chairman)
Mr Christopher Coudounaris
Mr John McClelland

Company Secretary

Mr David McArthur

Registered Office

Level 2
45 Stirling Highway
Nedlands WA 6009

Auditors

Stanton Partners
Level 1
1 Havelock Street
West Perth WA 6005

Solicitors

Q Legal
Level 4
105 St Georges Terrace
Perth WA 6000

Corporate Advisors

Claymore Capital Pty Ltd
Level 10
Bligh Street
Sydney NSW 2000

3. Offer Details

3.1 Offer

By this Prospectus, the Company is offering the public the opportunity to apply for 5,000 Shares at an issue price of $0.10 per Share. All monies in respect of an Application are payable in full on Application. The maximum gross proceeds from the Offer will be $500. The minimum subscription is 5,000 Shares.

No brokerage or stamp duty is payable by Applicants under the Offer. New Shares offered under this Prospectus will rank equally with existing ordinary shares of the Company.

3.2 Purpose of this Document

The purpose of this Prospectus is to facilitate trading in Shares to be issued, and previously issued, by the Company (**Disclosure Shares**) in accordance with section 708A(11) of the Corporations Act.

Section 707(3) of the Corporations Act restricts securities from being traded within 12 months of their issue in circumstances where they have been issued without disclosure under Part 6D.2 of the Corporations Act. The offers of the Disclosure Shares did not, and will not, require disclosure under Part 6D.2 of the Corporations Act. The purpose of this Prospectus is to ensure that the market is provided with sufficient disclosure in relation to the Disclosure Shares so that they are not restricted from being traded in accordance with section 707(3) of the Corporations Act.

The Company only has one class of shares and accordingly the Disclosure Shares are the same class of shares as the Shares being offered pursuant to this Prospectus.

The Disclosure Shares comprise:

(a) 185,709,708 Shares previously issued by the Company at between $0.05 and $0.10 per Share; and

(b) up to 18,946,400 Shares which may be issued during the Offer Period of this Prospectus (these Shares relate to a Convertible Note issued by the Company, further details of which are included in section 5).

Further details of the Disclosure Shares are set out below.

Details of issue	**Date**	**Number**	**Issue price**	**Consideration**
Placement to various allottees in accordance with shareholder approval obtained at the Company's annual general meeting held on 1 November 2005	15/11/2005	10,463,238	$0.10	Cash and satisfaction of debt for services rendered
Placement to Claymore in consideration for professional fees owed	02/03/2006	14,192,870	$0.05 to $0.0667	Satisfaction of debt for services rendered
Issue to various investors pursuant to conversion under Convertible Note	02/03/2006	126,000,000	$0.05	Conversion of debt under Convertible Note to equity

Details of issue	Date	Number	Issue price	Consideration
Issue to various investors pursuant to conversion under Convertible Note	31/03/2006	35,053,600	$0.05	Conversion of debt under Convertible Note to equity
Potential issue to various investors pursuant to conversion under Convertible Note (see section 5)	During the Offer Period	Up to 18,946,400	$0.05 to $0.10	Conversion of debt under Convertible Note to equity

3.3 Opening and closing dates

The Offer will open on 4 April 2006 or such later date as may be prescribed by ASIC (**Opening Date**), and will remain open until 5.00pm WST on 4 October 2006 (**Closing Date**). The Directors reserve the right to close the Offer earlier or later than that stated, without notice, subject to the requirements of the Corporations Act and ASX Listing Rules.

No Shares will be issued on the basis of this Prospectus after the Closing Date. The Closing Date must not be later than 13 months after the date of this Prospectus.

3.4 Application for Shares

Applications for Shares under the Offer can only be made on the Application Form attached to this Prospectus. Applications for the Offer must be for a minimum of 5,000 Shares. The Application Form must be completed in accordance with the instructions set out on the back of the Application Form. Completed Application Forms and accompanying cheques should be lodged at the Company's registered office on or before the Closing Date. Cheques must be made payable to "Safe Effect Technologies Limited – Share Offer Account" and crossed "Not Negotiable". No stamp duty or brokerage is payable by Applicants.

The Company retains an absolute discretion in allocating Shares under the Offer. The Company may reject any Application or allocate fewer Shares than applied for by any Applicant under the Offer. If an Application is not accepted, or is in part only, the relevant part of the Application monies will be refunded without interest. The Company will not be liable to any person not allocated Shares.

The allotment of Shares to Applicants will occur as soon as possible after the Offer is closed. Following which statements of Share holdings will be despatched. Pending issue of the Shares or return of the Application monies, the Application monies will be held in trust for the Applicants.

It is the responsibility of Applicants to determine their allocation prior to trading in Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

3.5 Quotation

Application will be made within 7 days after the date of this Prospectus for permission for the Shares offered by this Prospectus to be listed for quotation on ASX.

If an application for the admission to quotation of the Shares offered by this Prospectus is not made within 7 days after the date of this Prospectus or the Shares offered by this Prospectus are not admitted to quotation on ASX within three months after the date of this Prospectus, or within such longer period as the Corporations Act permits, the Company will not allot or issue any Shares and will repay all Application monies without interest and within the time prescribed by the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus.

3.6 Chess

Settlement of trading of the Company's Shares on the ASX takes place on CHESS, which is ASX's electronic transfer and settlement system. CHESS is operated by ASTC, a wholly owned subsidiary of ASX, in accordance with the ASX Listing Rules and ASTC Settlement Rules. CHESS allows for and requires the settlement of transactions in securities quoted on ASX to be effected electronically. No share or security certificates are issued in respect of shareholdings or security holdings which are quoted on ASX and settled on CHESS, nor is it a requirement for transfer forms to be executed in relation to transfers which occur on CHESS.

Under CHESS, the Company does not issue certificates to investors. Instead, Shareholders will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASTC will send them a CHESS statement. The CHESS statement will set out the number of Shares allocated to each holder under the Prospectus and give details of their holder identification number, in the case of a holding on the CHESS sub register. In the case of an issuer sponsored sub register, the statement will contain the number of Shares allocated under the Prospectus and the holder's security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to holders at the end of any calendar month during which the balance of their holding changes. A holder may request a statement at any other time, however, a charge may be incurred for additional statements.

3.7 Exposure Period

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an exposure period of 7 days from the date of lodgement with ASIC (**Exposure Period**). This period may be extended by ASIC for a further period of up to seven 7 days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. If this Prospectus is found to be deficient, Applications received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act. Applications received prior to the expiration of the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period and all Applications received during the Exposure Period will be treated as if they were simultaneously received on the day the Exposure Period ends.

3.8 Electronic Prospectus

Pursuant to Class Order 00/44, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic Application Form, subject to compliance with certain provisions.

If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company (refer to section 17 for contact details) and the Company will send to you free either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement Prospectus or any of those documents were incomplete or altered. In such a case, the application monies received will be dealt with in accordance with section 722 of the Corporations Act.

3.9 Privacy Act

The Company collects information about each Applicant from the Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), ASX, ASIC and other regulatory authorities.

If an Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address, and details of the security held) in its public register.

This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If Applicants do not provide the information required on the Application Form, the Company may not be able to accept or process the Applications.

3.10 Enquires regarding the Offer

Enquiries regarding this Offer, the Prospectus or how to apply for Shares under the Offer should be directed to SETL's Company Secretary (refer to section 17 for contact details).

4. Incorporation of other documents

Section 712 of the Corporations Act provides that a prospectus may incorporate information contained in other documents previously lodged with ASIC instead of setting the information out in full in the prospectus. In accordance with section 712 of the Corporations Act the following documents (or parts thereof) are incorporated into this Prospectus by virtue of their having been lodged with ASIC.

The Company considers that the information contained in the following documents is of interest to all investors and is not only of interest to professional analysts or advisors or investors with similar specialist information needs.

The Company will provide a copy of each of the documents below (or parts thereof), free of charge, to any person on request during the Offer Period. To obtain copies of any of the documents below (or parts thereof), please contact SETL's Company Secretary, Mr David McArthur (refer to section 17 for contact details).

4.1 Bidder's Statement dated 23 February 2005

4.1.1 Description

The Company issued a bidder's statement dated 7 February 2005 (**Initial Bidder's Statement**) in relation to its off-market takeover bid for all of the shares in Safe Effect Technologies International Limited (**SETI**). Further details of this takeover bid are contained in section 6. Shortly after the Initial Bidder's Statement was issued a supplementary bidder's statement was issued dated 23 February 2005 (**First Supplementary Bidder's Statement**). The Company then issued a replacement bidder's statement dated 23 February 2005 (**Bidder's Statement**) which consolidated the Initial Bidder's Statement and the First Supplementary Bidder's Statement. The following sections of the Bidder's Statement dated 23 February 2005 are incorporated by reference into this Prospectus.

4.1.2 Contents of document incorporated by reference

Section	Heading	Description	Material changes
11.	Rights and liabilities attaching to Bidder Shares	The Company has one class of Shares. Accordingly this summary of the rights and liabilities attaching the Shares issued pursuant to the SETI Takeover applies to the Shares being issued under this Prospectus.	Remains current
12.1	Introduction	This section sets out the background to the Company's primary asset, the Wet Brake Technology.	Remains current
12.2	Joint Venture Arrangement	This section includes details of the existing joint venture arrangement to develop the Wet Brake Technology with SETI.	Remains current
12.3	The Technology and the Intellectual Property	This section provides further information regarding the Wet Brake Technology including an operational summary of the technology.	Remains current
12.4	Benefits and competitive advantage	This section highlights the advantages of the Wet Brake Technology over traditional braking technology.	Remains current

Section	Heading	Description	Material changes
12.5	Target Markets	This section summarises the target markets for the technology which have been identified by the Company.	Updated in section 11
12.6	Commercialisat-ion strategy	This section summarises the Company's strategy for commercialising the Wet Brake Technology.	Updated in Supplementary Bidder's Statement (section 6.1)
12.7	Current Activities	This section summarises the Company's current activities.	Updated in section 11
15.1	Board of Directors	This section provides details of the Company's directors and key personnel. Only the parts of the section containing information relating to Mr Roger Cowan and Mr John McClelland are incorporated by reference into this Prospectus.	Updated Supplementary Bidder's Statement (section 6.4)
16.2	Joint Venture Agreement	This section provides a summary of the existing Joint Venture Agreement between SETI and Safe Effect Pty Ltd a wholly owned subsidiary of the Company.	Remains current
16.3	Joint Venture Sales Agency Agreements	This section provides a summary of the existing Joint Venture Sales Agency Agreements between SETI and Safe Effect Pty Ltd.	Remains current
16.4	Deed of Termination	This section provides a summary of a Deed of Termination with ongoing rights between various parties including the Company.	Remains current
19.	Benefits to a Merged Structure	This section includes a discussion of the current ownership structure of the Company's intellectual property and the proposed structure following completion of the SETI Takeover.	Updated in Supplementary Bidder's Statement (section 9)
20.	Bidder's Intentions	This section sets out the Company's intentions concerning its acquisition of SETI under the SETI Takeover. These intentions remain current and the Company will implement them following completion of the Compulsory Acquisition.	Remains current
22.	Risk Factors	This section summarises the potential risks that the Company may face in conducting its business and the risks that an investor in the Company may be exposed to.	Updated in Supplementary Bidder's Statement (section 12)
35.	Dividend Policy	This section provides details of the current dividend policy of the Company.	Remains current

4.2 Supplementary Bidder's Statement dated 19 December 2005

4.2.1 Description

The following sections of the supplementary bidder's statement dated 19 December 2005 (**Supplementary Bidder's Statement**) issued by the Company in relation to the SETI Takeover, are incorporated by reference into this Prospectus. This was the second supplementary bidder's statement issued by the Company in relation to the SETI Takeover (see section 4.1.1).

4.2.2 Contents of document incorporated by reference

Section	Heading	Description	Material changes
6.1	Commercialisat-ion strategy	This section provides an updated discussion of the Company's commercialisation strategy to that set out in section 12.6 of the Bidder's Statement.	Remains current
6.2	Current activities	This section provides an updated discussion of the Company's current activities to that set out in section 12.7 of the Bidder's Statement.	Updated in section 11
6.4	Directors	This section updates the summary of the Company's directors contained in section 15.1 of the Bidder's Statement.	Updated in section 12
6.5	Key Personnel	This section provides a summary of the Company's key personnel.	Updated in section 12
6.8	Prospects	This section provides a summary of the Company's prospects.	Updated in section 11
9.	Prospect of raising new capital	This section provides details of the Company's expenditure in relation to the joint venture arrangement with SETI and an updated statement as the Company's requirement for additional working capital.	Updated in sections 7 and 8
12.	Risk factors	This section provides details of risk factors which have been identified by the Company, in addition to those contained in section 22 of the Bidder's Statement.	Remains current
15.	Legal Proceedings	This section provides details of the legal proceedings the Company is a party to.	Updated in section 15.5

4.3 Half year reports for the period ended 31 December 2005

4.3.1 Description

The Company's financial reports and directors' report for the half-year ended 31 December 2005 filed with ASIC on 30 March 2006, are incorporated by reference into this Prospectus.

4.3.2 Contents of document incorporated by reference

The reports contain all information required by Part 2M.3 Division 2 of the Corporations Act, including the financial statements for the half-year, the notes to the financial statements and the directors' declaration about the statements and the notes. The entire reports are incorporated by reference.

4.4 2004 Notice of Annual General Meeting

4.4.1 Description

The following sections of the Company's 2004 Notice of Annual General Meeting and Explanatory Statement filed with ASIC on 15 September 2005 (**Notice of AGM**) are incorporated by reference into this Prospectus.

4.4.2 Contents of document incorporated by reference

The Notice of AGM sets out information relevant to the various resolutions put to shareholders at the Company's annual general meeting held on 1 November 2005 (**AGM**). In particular the document contained information regarding the terms of Options which were issued to Directors pursuant to resolutions contained in the Notice of AGM and the terms of Options which are to be issued by the Company under the Employee Shares Option Plan (**Option Plan**) approved by shareholders at the AGM.

Section	**Description**	**Material changes**
Annexure A	This Annexure summarises the rules of the Company's Option Plan.	Remains current
Annexure B	This Annexure summarises the terms of any Options which may be issued pursuant to the Company's Option Plan.	Remains current
Annexure C	This Annexure summarises the terms of Options that were issued to directors as part of their remuneration package pursuant to shareholder approval which was obtained at the Company's annual general meeting held on 1 November 2005.	Updated in section 9.2

5. ASX Suspension

On 4 August 2003, the Company's ordinary shares and options were placed in a trading halt at the Company's request. On 5 August 2003, the Company's ordinary shares and options were suspended from quotation on ASX and have remained in suspension since that time.

As of 1 March 2006 the Company received confirmation from ASX that following completion of its capital raising under the Convertible Note and lodgement of its half-year reports for the period ended 31 December 2005, ASX could see no reason why the Company's securities should not be reinstated to official quotation.

The Company has received confirmation from ASX that its securities will be reinstated to official quotation on ASX on 5 April 2006, being the day after the date of this Prospectus.

6. SETI Takeover

On 23 February 2005 the Company made an off-market takeover bid (**SETI Takeover**) for all of the ordinary shares in SETI.

The SETI Takeover closed on 22 February 2006 by which date the Company had received acceptances for 92.89% of SETI's shares. On 1 March 2006, the Company issued and allotted 46,447,119 Shares to accepting SETI shareholders pursuant to the SETI Takeover.

As the Company received acceptances for greater than 90% of the Shares subject to the SETI Takeover, the Company is entitled to compulsorily acquire all outstanding SETI shares under section 661A of the Corporations Act 2001 (**Compulsory Acquisition**). A formal notice of compulsory acquisition was lodged with ASIC in accordance with section 661B of the Corporations Act on 20 March 2006. The process of Compulsory Acquisition will result in the issue of 3,552,881 Shares to all SETI shareholders who did not accept the Company's takeover offer. The issue of these Shares will occur during the Offer Period and the Company anticipates that the Compulsory Acquisition will be completed by 30 April 2006.

7. Convertible Note

On 28 April 2005, the Company entered into a finance arrangement with Claymore Capital Pty Ltd (**Claymore**) by way of the issue of a convertible note to Claymore in its capacity as trustee for various investors (**Convertible Note**). The Convertible Note has a total face value amount of not less than $4,000,000 and up to $7,000,000 with the ability to be increased to $9,000,000. The Convertible Note was approved by SETL shareholders on 1 November 2005.

As at the date of this Prospectus, $9,000,000 has been advanced or is available for drawdown under the Convertible Note and $8,052,680 of debt has been converted into Shares. The debt converted to date has resulted in the issue of 161,053,600 Shares to Claymore as trustee for the investors (further details regarding this conversion are set out in section 3.2).

The essential terms of the Convertible Note are:

(a) the term of the Convertible Note expires on 1 July 2007 (the expiry date of the Convertible Note was extended from 28 April 2006, by Deed of Variation dated 1 March 2006);

(b) at any time throughout the term of the Convertible Note, the noteholder may convert the total outstanding under the Convertible Note, in whole or in part and on one or more occasions, into SETL shares in an amount equal to the lesser of:

    (i) $0.10 per share; or

(ii) 75% of the lowest issue price of shares for any equity raising undertaken by the Company during the term (provided that this paragraph (ii) will not apply in the event the Company's Shares recommence trading on ASX); or

(iii) in the event that the Company's shares have been trading on ASX for at least 30 trading days, the 30 day volume weighted average trading price of the Company's shares listed on ASX,

provided that in the event that paragraphs (ii) or (iii) apply, the strike price will, in any event, not be lower than $0.05;

(c) the Convertible Note will convert immediately, upon the volume weighted average price of the shares as listed on ASX being at least $0.15 per Share for 2 consecutive ASX calendar trading months (this conversion will be at the strike price set out in paragraph (b) above;

(d) interest at 11% per annum will accrue on the Convertible Note (in the event that interest in unpaid as at the due date, Claymore as trustee for the investors may elect to convert any interest into shares at $0.05 per share); and

(e) if the noteholder fails to exercise its option to convert the total outstanding at the expiry of the term, the noteholder is entitled to receive the total outstanding from the Company.

The funds obtained through the Convertible Note have been, and will be, applied by the Company as set out in section 8.

To secure the moneys payable pursuant to the Convertible Note, the Company granted a fixed and floating charge over all its assets and undertakings in favour of Claymore as trustee for the investors. As the technology is currently held by Safe Effect Pty Ltd a subsidiary of SETL, Safe Effect Pty Ltd has executed a deed of guarantee and indemnity in favour of Claymore as collateral security to the deed of charge granted by SETL.

Based on the minimum conversion price as set out in paragraph (b) above, should Claymore as trustee for the investors convert the total outstanding under the Convertible Note (currently $947,320) the Company will be required to issue up to 18,946,400 Shares. This would result in the Company's fully paid share capital being diluted by up to 13.29%. Any new Shares issued by the Company pursuant to the Convertible Note will rank equally with all other Shares on issue.

Any of the 18,946,400 Shares issued under the Convertible Note during the Offer Period, will be included in the Disclosure Shares for which disclosure is being provided by this Prospectus in accordance with section 708A(11) of the Corporations Act (see section 3.2).

Further information regarding the effect upon the Company of any further conversions of the Convertible Note is included in section 10.1.

8. Use of Funds

As at the date of this Prospectus, the full $9,000,000 has been advanced or is available for drawdown under the Convertible Note. A further $500 will be raised by this Offer.

As at the date of this Prospectus, $7,224,940 of the funds raised under the Convertible Note have been utilised by the Company, primarily on working capital, production and the repayment and extinguishment of various liabilities of the Company. The unspent portion of the funds advanced under the Convertible Note currently total $1,775,060. These funds and the funds raised under the Offer will be used to pay existing creditors and for working capital, until the Company becomes cash flow positive. It is anticipated there will be no major capital expenditure for at least the next 12 months.

The unspent portion of the funds raised from the Convertible Note and the funds raised from the Offer will be used to pay:

Use of funds	**Amount**
Salaries and Wages	$270,000
Inventories	$700,000
Thailand Subsidiary expenses	$145,000
Other Trade creditors	$660,560
Total	**$1,775,560**

9. Capital Structure

9.1 Shares

The Company currently has 387,315,438 ordinary shares on issue. The substantial shareholders in the Company are set out below:

Name	**Shares**	**Percentage**
Mr Richard Andrew Palmer and associated persons or entities	52,002,019	13.43%
Mr Dale Monson and associated persons and entities	25,994,548	6.71%
RAB Special Situations (Master) Fund Limited	20,000,000	5.16%

9.2 Options

The Company currently has a total of 10,500,000 Options on issue. The Options are made up of the following classes:

(a) Class A Options, which are exercisable at $0.10 on or after 17 November 2005 and expire on 17 November 2008.

(b) Class B Option, which are exercisable at $0.15 on or after 30 November 2006 and expire on 17 November 2009.

(c) Class C Option, which are exercisable $0.20 on or after 30 November 2007 and expire on 17 November 2010.

A summary of the terms of the Options are contained in Annexure C of the Notice of AGM (refer to section 4.4.2).

The details of the Company's optionholders are as follows:

Optionholder	**Class A Options**	**Class B Options**	**Class C Options**	**Total**
Mr Roger Cowan	1,500,000	1,500,000	1,500,000	4,500,000

Optionholder	Class A Options	Class B Options	Class C Options	Total
Mr John McClelland	1,000,000	1,000,000	1,000,000	3,000,000
Mr Chris Coudounaris	1,000,000	1,000,000	1,000,000	3,000,000
Total				**10,500,000**

9.3 Employee Share Option Plan

The Company has implemented an Employee Share Option Plan (**Option Plan**) which was approved by shareholders at the Company's annual general meeting held on 1 November 2005. As at the date of this Prospectus, no securities have been issued under the Option Plan. A summary of the rules of the Option Plan and a summary of the terms of any Options which may be issued pursuant to the Option Plan are contained in Annexure A and Annexure B respectively of the Notice of AGM (refer to section 4.4.2).

10. Effect of Offer on Capital Structure

10.1 Pro forma Capital Structure

Up to 5,000 new Shares may be issued under this Offer which will result in the Company's issued capital increasing to 387,320,438 Shares.

As set out in section 6 above, 3,552,881 Shares will also be issued during the Offer Period pursuant to the Compulsory Acquisition under the SETI Takeover.

Up to a further 18,946,400 Shares may be issued during the Offer Period to various investors under the Convertible Note (see section 7). Assuming the total outstanding under the Convertible Note is converted at the lowest possible exercise price ($0.05), 18,946,400 Shares will be required to be issued, resulting in a total of 409,819,719 Shares on issue. Note this total includes the Shares to be issued under this Offer and the Compulsory Acquisition.

Further details of the proposed changes to the Company's capital structure and the resulting dilution of the Company's existing issued capital (being 387,315,438 Shares) are set out in the following table.

Share issue	Number of Shares	Dilution of current issued capital
Current Issued Capital	387,315,438	-
Shares issued pursuant to this Prospectus	5,000	0.00%
Shares issued pursuant to Compulsory Acquisition	3,552,881	0.91%
Maximum possible Shares issued under Convertible Note	18,946,400	4.66%
Total	**409,819,719**	

Note: In the event that the Convertible Note is converted at the highest possible exercise price ($0.10) 9,473,200 Shares will be issued under the Convertible Note resulting in a total of 400,346,519 Shares on issue (including the Shares to be issued under this Offer and pursuant to the Compulsory Acquisition under the SETI Takeover).

10.2 Relevant Interests

The effect on the Company's capital structure of the Compulsory Acquisition and the full conversion under the Convertible Note (even at the lowest exercise price which would result in the maximum possible issue of Shares) will not result in any single shareholder's voting power in the Company exceeding 20% and therefore will not breach the prohibition set out in section 606 of the Corporations Act.

11. Current Activities

11.1 Background

The prime focus of the Company is to move the business into a point of break even operation and ongoing profitability. Additional funds have been raised and based on the Company's current business plan should provide sufficient working capital until the Company is self sustaining.

Unlike many technology companies that have accumulated large losses through the investments made in research and development and are still in the development phase, the Company has the advantage of having several products that are being manufactured and sold and have a proven track record of in-field performance. These products are the cornerstone of building a profitable business.

Past management concentrated on developing a diverse range of products many of which would require further investment before being successfully commercialised. Out of this diverse range, braking systems for Toyota Landcruiser have emerged as the current mainstay of the Company's activities and have been successfully commercialised. In addition, several other products have regular customers and are generating incremental sales. These are the Unatrac and a conveyor brake.

Several years ago the Company relocated its manufacturing operations from Victoria to Thailand. Because of the time taken to establish production in Thailand, this decision resulted in the inability to supply products to customers and temporarily curtailed the only significant source of revenue. In addition the Company continued to develop new products and to promote the technology, which seriously drained cash flow.

The current Directors, with the assistance of Claymore as corporate advisers, took control of the Company in April 2005 dismissing the former chief executive officer and chief operating officer and commenced the rebuilding of the Company. Mr Ken Johnsen was appointed as the new chief executive officer in September 2005 and he continued the rebuilding process commenced earlier in 2005.

In the later part of 2005 the Company's assembly facility in Thailand came on stream and is now producing and shipping to Australia at the rate of 40 brake sets per month for Landcruiser. It has a total capacity for producing 150 to 200 brake sets per month. In addition to the Landcruiser brake set, it is producing and shipping directly to Canada a slightly modified brake set for the Company's Canadian re-seller. These are shipped at the rate of approximately 10 sets every 2 months. The Unatrac brake units for a US customer are also shipped directly from Thailand in batches of 10 sets every 2 months. The Thailand factory also supplies spare parts to both Australia and to North America. The path to break even operation can be achieved by focusing on 3 main areas:

(a) Increasing sales revenue from existing mature products (Landcruiser and Unatrac brake systems).

(b) Reducing cost of goods sold for existing products and offsetting engineering and administrative overheads by seeking customer contribution.

(c) Seeking research and development grants for variations to existing products or new products.

11.2 Sales Activity

The Company has 4 main customers; ADIT Engineering (**ADIT**) on the east coast of Australia, Corefleet in Western Australia, DBT America Inc. (**DBT**) in the United States and Mobile Parts in Canada. The Company, both directly and through its resellers is servicing major mining companies in Australia, Papua New Guinea and Indonesia. The Unatrac brake system is sold to DBT a mining equipment manufacturer . In Australia and Canada almost all sales relate to Toyota Landcruiser brakes and spare parts.

From a base of almost no regular sales in September 2005, sales since then to the end of March 2006 have amounted to 60 sets. Current quotations pending or serious enquiries for brake sets exceeds 150 sets. Spare parts sales are also providing a regular monthly revenue contribution.

Sales currently range from one off purchases to orders of batches of 10 sets. No long term supply agreements have yet been established with end users or re-sellers. However it is anticipated that at least one supply agreement will be negotiated from current on-going discussions.

In addition to the sale of brake sets and parts the Company has also commenced discussions with several third parties with the view to licensing the technology for manufacture overseas.

11.3 Cost of Goods Sold

The Company's facility in Thailand is responsible for purchasing all parts from local or overseas suppliers and assembling those parts into complete sets for supply to the Company in Perth or direct to North American customers.

Initial costs for parts were based on very low supply volumes and large reject rates due to poor quality castings. With improved castings and a current ongoing production rate of 40 sets per month growing to 150 to 200 sets over 12 months, suppliers have reduced the price of parts supplied to the Company. Over the last month over $500 has been cut from the cost of materials and purchased parts of each set of brakes. Further reductions are expected over coming months as competitive bidding from other suppliers is sought and monthly production rates increase. Small design changes are also being implemented for cost reduction.

11.4 Overhead Costs

Overheads and spending on capital purchases are being kept to an absolute minimum at this point in order to ensure the earliest possible break even date is achieved. In Australia there are 16 staff performing all engineering, sales and administration functions.

In Thailand there are 18 staff with an even split for direct and indirect labour. The indirect staff are involved in purchasing, logistics, administration and supervision. The direct labour is involved in assembly of brake sets. Apart from minor assembly aids and cleaning equipment there is no major capital equipment used in the assembly. All machining is outsourced.

The Company is actively seeking to reduce overhead cost by seeking customer funding for product variations and new product developments. This is being sought by either direct funding of development activity or higher part pricing to cover engineering costs. At this point in time it is not anticipated there will be any major increases in staff numbers as the Company's sales grow.

Patent cost has been a major overhead cost and it has been reduced from $800,000 per annum a year ago to less than $300,000 per annum currently. Legal, consulting, capital raising and accounting fees will also reduce significantly as the Company restructure is finalized.

12. Directors and Key Personnel

In addition to the discussion of the Company's directors and key personnel contained in section 15.1 of the Bidder's Statement and sections 6.4 and 6.5 of the Supplementary Bidder's Statement, the Company advises the following changes.

12.1 Chief Financial Officer

On 1 February 2006, Mr Ross Blakey was appointed as Chief Financial Officer of the Company. Mr Blakey has over 35 years experience as Finance Director of various private and public companies both in Australia and overseas. He held the position of Finance Director of RS Components Pty Ltd for 8 years and more recently was both Chief Executive Officer and Chief Financial Officer of Service Finance Corporation Ltd.

12.2 Other Changes

Roger Cowan is no longer the Chief Executive Officer of Penrith Rugby League Club. He resigned from that position in July 2005.

13. Material Contracts

13.1 Thailand Assembly Facility

The Company's has entered into a Lease and Service Agreement in relation to its Thailand assembly facility, located at Plot 13E Laem Chabang Industrial Estate, Export Processing Zone, Chonburi, Thailand. The Lease and Service Agreement provides for a combined cost of 270,000 Thai Baht per month (which as at the date of this Prospectus amounts to approximately $9,700). The agreement expires on 31 July 2007.

13.2 Leases

The Company has entered into the following leases for its business premises:

(a) The Company's head office at Unit 3, 75 Erindale Road, Balcatta, Western Australia. The lease is for a term of 1 year expiring on 30 June 2006 with two 1 year options. The annual rent is $44,968.

(b) The Company's warehouse at Unit 7, 23 Gibberd Road, Balcatta, Western Australia. The lease is for a term of 1 year expiring on 15 January 2007. The annual rent is $12,700.

(c) The Company's test facility at Unit 12, 23 Gibberd Road, Balcatta, Western Australia. A further term of the lease is in the process of being renegotiated. The annual rent is currently of $16,233.

13.3 Employment Agreements

The Company has employed its key personnel based on standard commercial employment terms.

13.4 Supply and purchase contracts

Due to the Company's recent restructure and relatively low current production levels, no formal supply or purchase contracts have been entered into by the Company.

14. Financial Information

14.1 Pro forma Statement of Financial Position as at 31 December 2005

Set out below is a statement of financial position of the Company as at 31 December 2005, together with a pro forma statement of financial position which includes the conversion of $8,052,680 of debt into equity under the Convertible Note (see section 7), completion of the SETI Takeover including the Compulsory Acquisition (see section 6) and completion of the Offer under this Prospectus. The pro forma statement of financial position has been reproduced from the Company's half-year reports for the half-year ended 31 December 2005 (which are incorporated by reference into this Prospectus (see section 4.3)) and includes further transactions which have occurred, or will occur, after the date of the half yearly reports (see items 1 to 4 below).

Safe Effect Technologies Limited
Statement of Financial Position as at 31 December 2005

	31 Dec 2005 Audit Reviewed $'000	31 Dec 2005 Pro forma including conversion under Convertible Note $'000
CURRENT ASSETS		
Cash and cash equivalents	182	3,268
Trade and other receivables	444	448
Inventories	756	756
Other	6	6
TOTAL CURRENT ASSETS	1,388	4,478
NON-CURRENT ASSETS		
Trade and other receivables	40	40
Property, plant & equipment	153	153
Intangibles	-	2,984
TOTAL NON-CURRENT ASSETS	193	3,177
TOTAL ASSETS	1,581	7,655

CURRENT LIABILITIES		
Trade and other payables	3,470	2,440
Interest bearing liabilities	37	513
Provisions	65	64
TOTAL CURRENT LIABILITIES	3,572	3,017
NON-CURRENT LIABILITIES		
Trade and other payables	11	11
Interest bearing liabilities	5,610	951
TOTAL NON-CURRENT LIABILITIES	5,621	962
TOTAL LIABILITIES	9,193	3,979
NET ASSETS/(LIABILITIES)	(7,612)	3,676
EQUITY		
Issued Capital	21,684	32,972
Reserves	200	200
Accumulated losses	(29,496)	(29,496)
TOTAL EQUITY/(DEFICIENCY)	(7,612)	3,676

Note: In the event that the Convertible Note is fully converted at the lowest possible exercise price ($0.05) an additional 18,946,402 Shares will be issued under the Convertible Note resulting in Interest bearing liabilities decreasing to $4,000 and Issued Capital increasing to $34,725.

The Pro forma Statement of Financial Position has been prepared from the Company's audit reviewed half year accounts as adjusted for the following items:

1. Subsequent to 31 December 2005, Claymore who holds a Convertible Note drawn down to $5,606,338 as at 31 December 2005, increased the Convertible Note to $9,000,000 by way of cash paid of $3,080,608 into the Claymore trust account, conversion of $207,046 of debt and capitalising of interest on the Convertible Note of $106,008 incurred after 31 December 2005. In addition the term of the Note has been varied to delay the option for repayment until 1 July 2007. On 1 March 2006, Claymore (on behalf of investors under the Convertible Note) agreed to convert $6,300,000 into shares at $0.05 per share and 126,000,000 Shares were issued to Claymore on trust for the investors in accordance with the terms of the Convertible Note. On 31 March 2006, Claymore (on behalf of investors under the Convertible Note) converted an additional $1,752,680 into shares at $0.05 per share and 35,053,600 Shares were issued to Claymore on trust for the investors. The funds relating to Convertible Note are held in the Claymore trust account on behalf of SETL and are drawn fortnightly as required.

2. On 1 March 2006 Claymore was issued with 1,499,250 Shares at $0.0667 and 12,693,620 Shares at $0.05 in satisfaction of professional fees of $734,681 owing to Claymore as at 31 December 2005.

3. On 1 March 2006 all conditions under the Bidders Statement were met and the Company issued and allotted 46,447,119 Shares to accepting SETI shareholders pursuant to the SETI Takeover. For the purpose of valuing SETI's intellectual property SETL shares have been valued at $0.05 per share. This transaction, on a consolidated basis, values the intellectual property in SETI at $2,983,579 which will be brought to account as intangible property.

   The Company is now proceeding under section 661A of the Corporations Act to compulsorily acquire all outstanding SETI shares through the issue of a further 3,552,881 Shares to the SETI shareholders who did not accept the Company's takeover offer. In conjunction with the SETI Takeover, on 1 March 2006, the Company applied to ASX and was approved for re-quotation of the Company's securities on lodgement of the Company's half yearly reports for the period ended 31 December 2005.

4. The issue of 5,000 Shares at $0.10 each under this Prospectus.

14.2 Financial Forecasts

Given the significant restructure undertaken by the Company and the uncertainties associated with the Company's business model, together with a lack of history, the Company considers that there is no reasonable basis for the inclusion in this Prospectus of financial forecasts or projections in relation to its business.

15. Additional Information

15.1 Interests of Directors, Experts and Advisors

Other than as set out below or elsewhere in this Prospectus, no:

(a) director or proposed director of the Company;

(b) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or

(c) promoter of the Company,

has, or had within 2 years before the date of this Prospectus, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with its formation or proportion or in connection with the Offer; or

(c) the issue of Shares under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons as an inducement to become, or to qualify as, a director or expert of the Company or otherwise for services rendered by them in connection with the formation or promotion of the Company or the issue of Shares under this Prospectus.

15.2 Interests of Directors

As at the date of this Prospectus, the Directors and their associates have interests in the following securities in the Company:

Director	Shares Held	Options Held
Mr Roger Cowan	10,197,420	4,500,000
Mr John McClelland	4,400,000	3,000,000
Mr Christopher Coudounaris	650,000	3,000,000

Note: The Company wishes to advise that previous disclosure made by the Company regarding the interests of directors (included in the Notice of AGM and the Supplementary Bidder's Statement) contained a typographical error. Both documents incorrectly stated Mr Cowan's shareholding in the Company as 5,673,333 Shares. Mr Cowan's actual shareholding at that time was 6,673,333 Shares and has subsequently increased to that set out above.

15.3 Directors' remuneration

At the Company's annual general meeting held on 1 November 2005, shareholders approved a maximum aggregate sum available for directors' remuneration of $300,000. Presently, the Company has determined that a maximum of $40,000 per annum will be paid to non-executive Directors and $70,000 per annum to the Chairman as remuneration for their services as Directors. The total amount of directors' remuneration payable by the Company in the past 24 months is as follows, $99,000 has accrued to Mr Roger Cowan, $70,000 has accrued to Mr John McClelland and $37,000 has accrued to Mr Christopher Coudounaris. Options were also granted to the directors as a part of their remuneration packages in November 2005. The Option packages were valued at between $60,000 and $119,000 for Mr McClelland and Mr Coudounaris, and between $90,000 and $178,500 for Mr Cowan. Further details regarding these options are contained in sections 9.2 and 15.2.

15.4 Interests of Experts and Advisors

Q Legal has acted as solicitor to the Company in providing general advice in relation to this Offer. Q Legal will receive professional fees of approximately $12,500 in respect of services provided in relation to the Offer. During the past 24 months Q Legal has acted as legal advisors to the Company in relation to litigation, other corporate matters and general advice and has received fees of approximately $262,000 for these services.

Claymore, the Company's corporate adviser, has during the past 24 months received approximately $534,000 and 19,192,870 Shares in respect of professional and capital raising fees.

15.5 Legal Proceedings

As set out in section 15 of the Supplementary Bidder's Statement, the Company has recently commenced legal proceedings against London Partners Australia Pty Ltd (**London Partners**) in the Federal Court of Australia.

On 3 March 2006 the Company also commenced legal proceedings in the Federal Court of Australia against the underwriter to a rights issue conducted by the Company in February 2003, Hood Group Holdings Ltd (**Hood Group**), and two former directors, Ms Dorota Kieronska (**Kieronska)** and Mr Vincent Morley (**Morley**). The Company is seeking to recover $943,859 plus interest from Hood Group, Kieronska and Morley and an additional amount of $366,158 plus interest from Morley and Kieronska. The Company's total claim is for $1,310,017 plus interest.

15.6 Expenses of the Offer

It is estimated that approximately $15,000 will be payable by the Company in respect of legal, accounting, corporate advisory, printing, ASIC lodgement fees and other costs arising from this Offer.

15.7 Consents

Q Legal has given, and at the time of lodging this Prospectus with ASIC, has not withdrawn its written consent to be named in this Prospectus as solicitors for the Company in the form and context in which it is so named. Q Legal has not caused or authorised the issue of this Prospectus and takes no responsibility for any other part of this Prospectus, other than the references to its name.

Claymore has given, and at the time of lodging this Prospectus with ASIC, has not withdrawn its written consent to be named in this Prospectus as the corporate adviser to the Company in the form and context in which it is so named. Claymore Capital Pty Ltd has not caused or authorised the issue of this Prospectus and takes no responsibility for any other part of this Prospectus, other than the references to its name.

Stanton Partners has given, and at the time of lodging this Prospectus with ASIC, has not withdrawn its written consent to be named in this Prospectus as the auditors to the Company in the form and context in which it is so named. Stanton Partners has also given, and at the time of lodging this Prospectus with ASIC, has not withdrawn its written consent to the inclusion by incorporation into this Prospectus of its Audit Reviewed Report contained in the Company's financial reports and directors' report for half-year ended 31 December 2005 filed with ASIC on 30 March 2006.

No entity or person referred to above has made any statement that is included in the Prospectus or any statement on which a statement made in this Prospectus is based, except as stated above. Each of the entities and persons referred to above expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus except the reference to its name and any statement or report included in this Prospectus with the consent of that party as specified above.

16. Definitions

Applicant means a person who submits an Application.

Application means a valid application to subscribe for Shares under the Offer.

Application Form means the application form attached to and forming part of this Prospectus.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

ASTC Settlement Rules means the Settlement rules of ASTC (formerly known as the SCH Business Rules).

ASX means Australian Stock Exchange Limited ACN 008 624 691.

ASX Listing Rules means the Listing Rules of ASX

Bidder's Statement means the bidder's statement issued by the Company dated 23 February 2005 and, which consolidated the Initial Bidder's Statement dated 9 February 2005 as supplemented by the First Supplementary Bidder's Statement dated 23 February 2005.

CHESS means ASX Clearing House Electronic Sub-Registry System.

Claymore means Claymore Capital Pty Ltd ACN 082 722 290, the Company's corporate advisors.

Closing Date means 4 October 2006, or such earlier or later date as may be determined by the Directors (see section 3.3).

Company means Safe Effect Technologies Limited ACN 099 107 623.

Compulsory Acquisition means the compulsory acquisition of all outstanding SETI shares, which have not been acquired by the SETL under the SETI Takeover in accordance with section 661A(1) of the Corporations Act.

Convertible Note means the convertible note issued by the Company to Claymore Capital Pty Ltd which has a total face value amount of $7,000,000 with the ability to be increased to $9,000,000. For more information regarding the Convertible Note, see section 7.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the board of directors of the Company as it is constituted from time to time.

Disclosure Shares means the shares issued by the Company in the 6 months prior to the date of this Prospectus and the further shares which may be issued by the Company under the Convertible Note, as set out in section 3.2.

Electronic Prospectus means the electronic version of this Prospectus.

Exposure Period has the meaning ascribed to that term in section 3.7.

First Supplementary Bidder's Statement means the first supplementary bidder's statement issued by the Company and lodged with ASIC on 23 February 2005.

Initial Bidder's Statement means the bidder's statement issued by the Company on 9 February 2005.

Notice of AGM means the Company's 2004 Notice of Annual General Meeting and Explanatory Statement filed with ASIC on 15 September 2005.

Offer means the offer to the public of 5,000 Shares at $0.10 to raise $500 under this Prospectus.

Offer Period means the period commencing on the Opening Date and ending or the Closing Date.

Opening Date means 4 April 2006, or such later date as may be determined by the Directors (see section 3.3).

Option means an option to subscribe for one Share in the Company.

Option Plan means the Employee Share Option Plan implemented by the Company and approved by shareholders at the Company's annual general meeting held on 1 November 2006 (refer to section 9.3 for more details).

Prospectus means this Prospectus dated 4 April l 2006 in relation to the Offer, including the Electronic Prospectus.

SETI means Safe Effect Technologies International Limited ACN 087 044 228.

SETI Takeover means the Company's off-market takeover bid dated 23 February 2005 for all of the shares in SETI (further details of the SETI Takeover are contained in section 6).

SETL means Safe Effect Technologies Limited ACN 099 107 623.

Share means one fully paid ordinary share in SETL.

Supplementary Bidder's Statement means the second supplementary bidder's statement issued by the Company in relation to the SEIT Takeover dated 19 December 2005.

17. Enquiries

Enquiries in relation to the Offer should be directed to SETL's Company Secretary, Mr David McArthur:

Address	**Postal Address**	**Telephone**
Level 2 45 Stirling Highway Nedlands WA 6009	PO Box 985 Nedlands WA 6909	Telephone: +61 8 9389 8799 Facsimile: +61 8 9389 8327

Directors' Statement

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors' knowledge, before any issue of Shares pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated 4 April 2006

Signed for and on behalf of Safe Effect Technologies Limited by

Roger Cowan
Chairman

Application Form

Please read all instructions on reverse of this form

Safe Effect Technologies Limited

ACN 099 107 623

Share Registrar use only
Broker reference – stamp only

Number of Shares applied for		Total amount payable (cheque(s) to equal this amount)	Broker code	Adviser Code
	at $0.10 per Share =	A$		

you may be allocated all of the Shares above or a lesser number

ull name details, title, given name(s) (no initials) and surname or Company name — ax file number(s) or xemption category

Name of Applicant 1 — Applicant 1/Company

Name of Joint Applicant 2 or <account name> — Joint Applicant 2/Trust

ull postal address — ontact Details

Number/Street — Contact Name

Contact daytime telephone number

( )

Suburb/Town — State/Postcode — Contact email address

CHESS HIN (if applicable)

Cheque Payment Details

Please fill out your cheque details and make your cheque payable to "Safe Effect Technologies Limited - Share Offer Account"

Drawer	Cheque Number	BSB Number	Account Number	Total amount of cheque
				$
				$

You should read the Prospectus carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus.
I/We declare that:

(a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of Safe Effect Technologies Limited; and

(b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

THIS FORM DOES NOT REQUIRE A SIGNATURE

Instructions to Applicants

Please post or deliver the completed Application Form together with a cheque to the Company. If an Applicant has any questions on how to complete this Application Form, please telephone SETL's Company Secretary, Mr David McArthur on +61 8 9389 8799. The Form must be received by the Company no later than 5.00pm (WST) on 4 October 2006.

1. **Application for Shares**

   The Application Form must only be completed in accordance with instructions included in Prospectus.

2. **Contact Details**

   Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Application Form.

3. **Cheque Details**

   Make cheques payable to "Safe Effect Technologies Limited - Share Offer Account" in Australian currency and cross them "Not Negotiable". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Application Form.

Declaration

Before completing the Application Form the Applicant(s) has read the Prospectus to which the application relates. The Applicant(s) agree(s) that this application is for Shares in Safe Effect Technologies Limited upon and subject to the terms of the Prospectus, agree(s) to take any number of Shares equal to or less than the number of Shares indicated on the front of the form that may be allotted to the Applicant pursuant to the Prospectus and declare(s) that all details and statements made are complete and accurate. It is not necessary to sign the Application form.

If an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept an Application Form, and how to construe, amend or complete it, shall be final. An Application Form will not however, be treated as having offered to subscribe for more Shares than is indicated by the amount of the accompanying cheque.

Forward your completed application together with the application money to:

Safe Effect Technologies Limited

Phone:	+61 8 9389 8799	
Facsimile:	+61 8 9389 8327	
Address:	**By Post**	**By Hand**
	PO Box 985 Nedlands WA 6909	Level 2 45 Stirling Highway Nedlands WA 6009