

11 August, 2005



Eastland Metallurgical
Systems LTD

The Manager,
The Company Announcements Platform,
Australian Stock Exchange Limited,
Level 4, 20 Bridge Street,
Sydney. N.S.W. 2000.

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Dear Sir,

**Shareholder Share Placement Plan
Indicative Price.**

Further to the posting of the Company's Shareholder Share Purchase Plan Offer posted to all registered shareholders on 8 August 2005, we wish to confirm that the issue price for each ordinary Share under the Offer will be \$0.16 cents. This price has been calculated at a 10% discount on the volume weighted average market price of ordinary shares sold on the ASX for the 5 trading days ending on 5 August 2005 (the **Record Date**).

The number of ordinary Shares and subscriber options that each applicant will receive, subject to the selection of one of the three Offer alternatives (provided there are no oversubscriptions) are set out below:

	Amount	Shares	Options
Placement Offer of	\$ 1,500	9,375	4,688
Placement Offer of	\$ 3,000	18,750	9,375
Placement Offer of	\$ 5,000	31,250	15,625

Allotment of Shares and Options will be posted within 10 business days of the close of the Offer.

Yours sincerely

T.P. Strahan.
Company Secretary.

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