

# TechStar Limited

26<sup>th</sup> July 2004

Company Announcements Office  
Australian Stock Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

Letter to Shareholders - Credit Card Merchant Facilities Established.

Please find attached a letter sent to all shareholders from the Chairman on 23<sup>rd</sup> July 2004.

David Hunt



Chief Executive Officer

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# TechStar Limited

23<sup>rd</sup> July 2004

Dear Shareholder,

In my letter to you of the 28<sup>th</sup> June 2004, I informed you TechStar is offering you, its existing shareholders the opportunity to increase your investment in Techstar and the opportunities in which TechStar participates by participating in a share purchase plan.

Since opening the offer, we have had numerous requests from shareholders wanting purchase their additional shares and by way of credit card payment.

As a result, TechStar is now offering you the opportunity to increase your investment in Techstar, by completing your credit card details on the attached Share Purchase Plan Application Form. New shares, to a maximum amount of \$5,000 per shareholder will be allocated at an issue price of 15 cents, which is 84.3% of the average market price for the preceding 5 days prior to the 11<sup>th</sup> June 2004.

It is envisaged approximately \$300,000 to \$500,000 will be raised from this Share Purchase Plan, with a maximum of \$1,800,000 being able to be accepted by the Board of Directors. If the offer is oversubscribed, subscriptions will be scaled back on a pro rata basis.

The funds raised will be used to support the initial costs of the Augen Project, pending assignment of the technology to TechStar if approved by shareholders; and to provide working capital to TechStar.

The Augen Project is planned to be the dominant project in TechStar's investment program for the next few years and I believe could make an immeasurable difference to the lifestyle of many visually handicapped people. Much has been done in the R&D to date, and, if the acquisition of the technology is approved by shareholder and is successfully completed, Augen expects to commence human tests within 2 years. This would be a major milestone toward commercialisation of a highly sought after medical prosthesis, and should be reflected in a significant uplift in the market price of TechStar.

I commend an investment in TechStar accordingly.

Yours faithfully,



John Reid AO  
Chairman

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