30th July 2004

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

Letter to Shareholders – Chairman's Address

Please find attached the chairman's address for the General Meeting to be held 12pm, 30th July 2004.

David Hunt

Chief Executive Officer

TechStar Limited ABN 49 089 206 986
Level 2, Colonial State Bank Building,
3350 Pacific Highway
Springwood QLD 4127, AUSTRALIA

Telephone + 61 7 3380 2100
Facsimile + 61 7 3290 3440
Email: info@techstarlimited.com
Website: www.techstarlimited.com

TechStar Limited

30th July 2004

Dear Shareholder,

In welcoming you to this General Meeting, I want to express my deep appreciation and that of my colleagues, to our Shareholders for their commitment to what we are all trying to achieve with TechStar. Your largely consistent support has kept the share price relatively stable in the face of less than adequate results.

Since the Company was founded in 1997, it has had a strategy to invest in, develop and sell off products as they achieve market acceptance. After that we start again with new products.

As you know, we are selling off the CPR kit (the aid to resuscitation) and the sports whistle (which has a future in safety, rescue and alarms as well as in sport for which it was designed).

Now the opportunity has arrived to take a brilliant invention – the bionic eye – down the same path. The sales of the two existing businesses will provide some of the funding to do this, but not all. The bionic eye is a much larger, scientifically precise invention and will require additional funding to achieve completion. It is an Australian invention with international prospects. Thus we have called this extraordinary meeting to seek Shareholders' approval to raise more money to approve the issue of the shares to purchase the intellectual property.

As you may know, we have already offered existing TechStar shareholders the opportunity to take up $5000 worth of new shares each at 15 cents per share.

I am pleased to report that our loyal shareholders have so far committed $54,000 to this objective.

Now we seek your approval for two resolutions to raise additional capital.

a) The first, which you have been told about the issue of up to 32 million new Ordinary Shares at 25 cents each to the current owners of the bionic eye technology.

b) The second, is to raise up to $15 million by the issue of 100 million new Ordinary Shares at a minimum of 15 cents each to high net worth investors in parcels of not less than $500,000, both to take place no later than 3 months after today.

You have read several papers from us on the Augen company and the bionic eye's proposal for making life more worthwhile for blind people. This is a great Australian project with a good prospect of being a fine investment for TechStar shareholders.

We comment this project to you all.

Yours faithfully,

John Reid AO
Chairman

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