



25th November 2004

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

Dear Sirs,

Chairman's Address to Shareholders

In reporting to you today, I shall assume that you have read the Chairman's report on page 1 of the Annual Report.

As that was completed only a relatively short time ago there is not a great deal that I can add at this time to the general health of the Company and its activities. I would, however, like to update and touch on a few matters.

CPREzy

The contract to sell CPREzy has now been executed with a further payment of \$200,000 is due on 29th November 2004. Payments from royalties up to a maximum of \$2,825,000 may follow in the future, as may the sale of market territories in Japan and South America. We are not quantifying those at this stage.

SportzWhistle

The future of SportzWhistle as a device for referees, coaches and the like is proving a difficult market to penetrate. Sports such as football are reluctant to replace their traditional blow-whistles with new technology. However, the "Drum Head" technology embedded in the SportzWhistle continues to present well in its class and may have extended opportunity in the personal alarms, and marine alarms for boats and related markets. We are looking closely at these other more promising markets.

As with the CPREzy kit, we are looking to make a sale of the product and it's intellectual property as soon as we can.

Reomate

The Reomate prototype has been taken to Shanghai where the School of Mechanical Engineering at Jiao Tong University are producing second generation prototypes, which should be available for demonstration to current potential distributors, or purchasers of the whole business, which is our objective in January 2005. There is more to be done, but we are extremely optimistic.

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Augen Bionic Eye

On a positive note we have concluded our arrangements with the co-inventors of the Bionic Eye, Gregg Suaning and Nigel Lovell of the University of NSW and the University of Newcastle. The Bionic Eye Project, presently called the Augen Project, will be re-branded in line with market advice we have received.

We have concluded discussions with Convergence Capital as our leading broker, to underpin our capital raising efforts. In the first half of 2005 we will raise \$10m with a further raising of \$15m intended within the first three years of this project. This will see the IP and Patent program incorporated into TechStar.

The Bionic Eye could be considered as an optical equivalent to that of a Cochlear implant. There has been considerable work performed to date with trials on sheep at the University of NSW. Our program should see "Acute Human Tests" in the latter stages of 2005.

As a result, there will be organisational changes to the operating of the Company. We look forward to advising you of our recommendations and shall seek your endorsement accordingly.

In a sense, the timing of this meeting is unfortunate, as we would have preferred to complete these matters earlier. We expect to be back with more detail in the next two or three months.

As I said in the Annual Report, the Board and I are disappointed that we have not produced better results. I can assure you that everyone is extremely committed and has been working very hard to achieve the results we all desire.

I would like to thank the Directors and all the team working at TechStar for their energetic commitment to the Company's future.



J.B. Reid
Chairman