TechStar Limited

29th November 2004

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

Dear Sirs,

**Appointment of Lead Fundraiser**

Australian commercialisation company, TechStar Limited (TSR), today announced it had executed a mandate with Convergence Capital (Convergence) to lead the upcoming fundraising for the Augen "Bionic Eye" project.

Convergence Capital is an independent Sydney based boutique investment bank specializing in corporate advisory and fundraising to small cap and pre IPO companies.

Over the past 3 years Convergence Capital's two principals Chris Eddy and Tim Koster have advised and funded a suite of clients who are typically in potentially high growth niche market sectors.

Under the terms of the agreement, Convergence will lead and finalise the fundraising of a minimum of $25m over a three year period.

Highlights and outcomes from the successful capital raisings will be as follows:

(i) non-current interest bearing loan accounts to directors and related entities of $3.1m will be swapped for equity at each stage of the fundraising;

(ii) the assignment of all Intellectual Property (IP) to TechStar will be finalised upon completion of fundraising an initial amount of $10m for the Augen project;

(iii) a minimum of $10m will be raised before the end of April 2005 by way of private placement to professional investors and if required, a prospectus for institutional and retail investors to subscribe to; and

(iv) within 3 years an additional minimum of $15m will be raised by way of a prospectus for institutional and retail investors to subscribe to.

TechStar Chairman, Mr John Reid, said the announcement was the final result of a two-year program to restructure the business.

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"We have refocused the company to its core business of taking Australian technology to the world," Mr Reid said.

"The Bionic Eye Project, presently called the Augen Project, will be re-branded in line with market advice we have received. As a result, there will be organisational changes to the operating of the Company for which we look forward to advising shareholders of our recommendations and shall seek their endorsement accordingly."

The Bionic Eye device in this early stage of development will be the main focus of TechStar. The TechStar technical team believes that they lead the world in field of Eye Bionics. The device has the potential to help the blind see some images, light and shade, structure and shapes and is considered particularly beneficial for people who have lost their sight due to degenerative and aged related eye disease.

The device comprises an electronic circuit implanted into the eye which delivers controlled, electronic stimulation to surviving nerve cells of the retina to restore some of the physiological events that take place on a normal, functional retina.

Development of the Bionic Eye concept began in 1997. To date, initial animal trials have been successfully conducted. The next stage of the research and development is the second stage of animal testing followed by human testing, which will take approximately 12 to 18 months to complete.

The market potential worldwide for the Bionic Eye is supported by a recent report from the international Vision 2020 initiative led by the World Health Organisation, which identified 45 million blind people globally.

The report estimates that 7 million people go blind every year. The potential to generate significant revenue with even a minor position in this market and to make a difference for many people supports our investment in this technology.

Yours faithfully

David Hunt
Chief Executive Officer