**C @ Ltd**
110 Brown Street
EAST PERTH WA 6004

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www.cnow.com.au
ABN: 99 110 439 686

# C@ TO RAISE CAPITAL AND STREAMLINE BUSINESS

**Placement**

C@ Limited ("C@" or "the Company") advises that it has entered into an agreement to raise $198,000 by the issue of 4.95 million shares at $0.04 per share to sophisticated investors ("the Placement").

The Placement has been issued pursuant to the Company's 15% placement capacity. An ASX Appendix 3B for the Placement accompanies this announcement.

**Entitlements Issue**

Marketech Pty Ltd has agreed to underwrite a pro-rata non-renounceable entitlements issue of approximately 37.978 million shares at $0.04 per share to raise $1,519,120 on the basis of one new share for every one share on issue ("the Entitlements Issue").

Marketech Pty Ltd, a company associated with Director James Martin, will take no fee for the underwriting of the Entitlements Issue.

The full terms and conditions of the Entitlements Issue will be detailed in a prospectus to be lodged with ASIC in the coming weeks.

The funds raised by the Placement and Entitlements Issue will be used to retire debt and supplement working capital.

**Streamline of Business and Retirement of Lease Facilities**

The Company advises that it has disposed of certain laboratory equipment for an amount of $145,000 plus GST. The equipment subject of the sale is excess to the Company's existing requirements and will not impact on the Company's ability to continue to generate revenue from the sale and assembly of optical frames and lenses.

The funds realised from this sale together with a draw down of $100,000 of an existing loan facility and a cash deposit secured against the financing of the laboratory equipment has enabled the Company to retire the lease finance of $471,000 on the equipment.

The Directors are confident that the initiatives outlined above will be finalised over coming months and will enable the Company to continue to fund its existing operations and consider new business strategies and investment opportunities for the benefit of all shareholders.

**Secondary Trading Notice Pursuant to Paragraph 708A(5)(e) of the Corporations Act 2001 ("Act")**

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A of the Act. By giving this notice, a sale of the Shares noted above will fall within the exemption in section 708A(5) of the Act.

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Act that:

(a) the Company issued the Shares without disclosure to investors under Part 6D.2 of the Act;

(b) as at the date of this Notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act; and

(c) as at the date of this Notice, there is no information:

(i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and

(ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:

a. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or

b. the rights and liabilities attaching to the relevant Shares.

Andrew Harrison
Non Executive Director
**C@ Limited**

28 February 2007

P O Box 8155 EAST PERTH WA 6849

*Rule 2.7, 3.10.3, 3.10.4, 3.10.5*

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

| |
|---|
| **C @ LIMITED** |

ABN

| |
|---|
| **99 110 439 686** |

We (the entity) give ASX the following information.

## Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

| | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | **Ordinary** |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | **4,950,000** |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | **Fully paid ordinary shares.** |

| | | |
|---|---|---|
| 4 | Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?<br><br>If the additional securities do not rank equally, please state:<br>• the date from which they do<br>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment<br>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | **Yes** |
| 5 | Issue price or consideration | **$0.04 per share** |
| 6 | Purpose of the issue<br>(If issued as consideration for the acquisition of assets, clearly identify those assets) | **Funds raised from the issue will be used to supplement working capital and retire debt.** |
| 7 | Dates of entering +securities into uncertificated holdings or despatch of certificates | **28 February 2007** |

| | | Number | +Class |
|---|---|---|---|
| 8 | Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable) | **29,403,007** | **Ordinary fully paid shares** |
| | | **6,589,000** | **Options exercisable at $0.20 each on or before 31 March 2008** |

+ See chapter 19 for defined terms.

| | | Number | +Class |
|---|---|---|---|
| 9 | Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable) | **8,574,993** | **Fully paid ordinary shares.** |
| | | **5,000,000** | **Options exercisable at $0.20 each on or before 31 March 2008.** |
| | | **200,000** | **Options exercisable at $0.205 each on or before 31 March 2008.** |

| | | |
|---|---|---|
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | **Not Applicable.** |

## Part 2 - Bonus issue or pro rata issue

***Questions 11 to 33 - Not Applicable***

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities
(*tick one*)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

***Questions 35 to 37 - Not Applicable***

### Entities that have ticked box 34(b)

***Questions 38 to 42 - Not Applicable***

## Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: ............................................................ Date: 28 February 2007
(Director)

Print name: Andrew Harrison

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+ See chapter 19 for defined terms.