BLAZE INTERNATIONAL LIMITED

ACN 074 728 019

3 December 2004

The Manager
Australian Stock Exchange Ltd
Level 4, 20 Bridge Street
Sydney, NSW 2000

Dear Sir

PLACEMENT AND COMPLETION OF THE PIXIE ACQUISITION

The Board is pleased to advise that following the obtaining of shareholder approval to proceed with the PIXe acquisition, Blaze International Limited ("**Blaze") has reached agreement to raise $1,000,000 by way of a placement of 15.38m shares at 6.5 cents each with a free attaching option (10 cents, 30 June 2007) to strategic investors. With the placement arrangements now finalized, Blaze will proceed with completion of the acquisition of all the issued capital in PIXe Pty Ltd.

As announced on 23 November 2004, PIXE has completed its proof of concept phase, which demonstrated significant commercialisation potential for the novel PIXe moving image compression technology.

Yours faithfully

Peter Bartleet
Chairman

For further information, please contact:

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