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

Capral Limited

ABN

78 004 213 692

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	Fully Paid Ordinary Shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	194,631,036
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)	Shares rank equally with all other fully paid ordinary shares

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • 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	$0.15 per Ordinary Share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Shares to be issued in accordance with a fully underwritten renounceable 1 for 1 rights issue at $0.15 per Ordinary Share. Funds raised by the rights issue will be used primarily for working capital purposes
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	Expected to be on 10 November 2008 with trading on the ASX expected to commence on 11 November 2008

8 Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)

Number	+Class
389,262,072 500,000	Ordinary Shares Convertible Notes
Number	+Class

9	Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)	295,000 Rights granted that may expire on 1 January 2011 680,000 Rights granted that may expire on 1 January 2012 1,900,000 Rights granted that may expire on 1 January 2013	Rights granted under the Capral Aluminium Limited Long Term Incentive Plan Rules dated 23 February 2006.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	New shares will be entitled to participate in dividends on equal terms as existing ordinary shares

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	1:1
14	+Class of +securities to which the offer relates	Fully paid Ordinary Shares
15	+Record date to determine entitlements	10 October 2008
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be roundest up to the nearest whole share

+ See chapter 19 for defined terms.

18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	PNG – Papua New Guinea BRN – Brunei HKG – Hong Kong CAN – Canada AUT – Austria FJI – Fiji JPN – Japan USA – United States of America CHE – Switzerland MYS – Malaysia PHL – Philippines FRA – France GBR – Great Britain
19	Closing date for receipt of acceptances or renunciations	30 October 2008
20	Names of any underwriters	Guinness Peat Group (Australia) Pty Ltd
21	Amount of any underwriting fee or commission	4%
22	Names of any brokers to the issue	Bridges Financial Services Pty Limited (for ineligible security holders)
23	Fee or commission payable to the broker to the issue	$2,000 + GST (subject to trading in the rights)
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Included in the fee stated at 23 above
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	16 October 2008
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	3 October 2008
29	Date rights trading will end (if applicable)	23 October 2008

30	How do +security holders sell their entitlements *in full* through a broker?	Security holders are to complete the section on the back of the Entitlement & Acceptance Form entitled "Instructions to Your Stockbroker" and lodge the Entitlement and Acceptance Form with their stockbroker
31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	Security holders complete the Entitlement & Acceptance Form for that part of their Entitlement that they wish to accept, and also complete the section on the back of the Entitlement & Acceptance Form entitled "Instructions to Your Stockbroker" for the balance that they wish to sell on the ASX. The completed Entitlement and Acceptance Form should be lodged with their stockbroker together with an Australian Dollar cheque or bank draft for the amount due in respect of New Shares the security holders intend to take up
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Security holders forward a completed standard renunciation form together with their Entitlement & Acceptance Form and the applicable transferee's Australian Dollar cheque or bank draft for the acceptance money to the share registry
33	+Despatch date	10 November 2008

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)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or

+ See chapter 19 for defined terms.

documents

35	☐	If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
36	☐	If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories 1 - 1,000 1,001 - 5,000 5,001 - 10,000 10,001 - 100,000 100,001 and over
37	☐	A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A
39	Class of +securities for which quotation is sought	N/A
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	N/A

Number	+Class

42	Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)	N/A	

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.

- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided 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: (Company Secretary) Date: 1 October 2008

Print name: Richard Rolfe

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+ See chapter 19 for defined terms.