

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.

Name of entity

RETAIL STAR LIMITED

ABN

71 098 238 585

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 shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 120,000,000 Ordinary shares |
| 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) | Ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

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	Shares will be issued at \$0.012					
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The purpose of the issue is to raise funds for working capital and other re-listing costs, review and develop the Company's existing business, pay audit fees and review other new projects.					
7 Dates of entering *securities into uncertificated holdings or despatch of certificates	9 November 2006 (anticipated)					
8 Number and *class of all *securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> </tr> </thead> <tbody> <tr> <td>355,529,753</td> </tr> </tbody> </table>	Number	355,529,753	<table border="1"> <thead> <tr> <th>*Class</th> </tr> </thead> <tbody> <tr> <td>Ordinary</td> </tr> </tbody> </table>	*Class	Ordinary
Number						
355,529,753						
*Class						
Ordinary						

	Number	*Class
9	Number and *class of all *securities not quoted on ASX (including the securities in clause 2 if applicable)	
	311,000	Unlisted options exercisable at \$1.00 expiring on 30 November 2006
	65,000	Unlisted options exercisable at \$0.60 expiring on 31 May 2007
	65,000	Unlisted options exercisable at \$0.80 expiring on 31 May 2008
	70,000	Unlisted options exercisable at \$1.00 expiring on 31 May 2008
	1,333,334	Unlisted options exercisable at \$0.261 expiring on 15 December 2009
	1,333,334	Unlisted options exercisable at \$0.287 expiring on 15 December 2010
	1,333,332	Unlisted options exercisable at \$0.314 expiring on 15 December 2011
	1,100,000	Unlisted options exercisable at \$0.25 expiring on 15 December 2009
	1,100,000	Unlisted options exercisable at \$0.25 expiring on 15 December 2009
	1,100,000	Unlisted options exercisable at \$0.25 expiring on 15 December 2009
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	Unchanged	

Part 2 - Bonus issue or pro rata issue

Questions 11 to 33 are not applicable

Part 3 - Quotation of securities

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

Questions 34 to 42 are not applicable

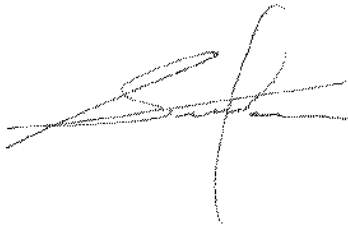
Quotation agreement

- 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

+ See chapter 19 for defined terms.

- 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:



Date: 19 September 2006

Print name:

Simon Headon
Company Secretary

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