



26 October 2005

James Gerraty
Manager Companies Melbourne
Australian Stock Exchange Limited
Level 3, Stock Exchange Centre
530 Collins Street
Melbourne VIC 3000

Dear Mr Gerraty,

Attached is an Appendix 3B in relation to the company's private placement of new shares announced on 19 October 2005.

This application covers the allotment of 16,590,908 shares (\$5,475,000) out of the total 21,000,000 successfully subscribed for.

The company is awaiting confirmation of clearance of funds from two European institutions for 4,030,303 shares prior to allotment.

Shares subscribed for by two directors (Dr Aston and Mr Kirkwood) totalling 378,789 (\$125,000) will be allotted subject to the receipt of shareholder approval.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Davina Gunn", with a long horizontal flourish extending to the right.

Davina Gunn
Manager Investor Relations, Marketing
Epitan Limited

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.

Name of entity

EPITAN LIMITED

ABN

88 089 644 119

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 | (a) Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 16,590,908 ordinary shares – new allotment |
| 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) | (a) Ordinary shares that rank equally with existing 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	(a) Ordinary shares – yes	
5	Issue price or consideration	\$0.33 per ordinary share. Total \$5,475,000	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Share placement to fund ongoing project development and working capital purposes	
7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	25 October 2005	
8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	Number 156,806,661	⁺ Class Ordinary

⁺ 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)	7,791,556	EPTAI (Unlisted Incentive options)
	6,667,362	EPTAK (Unlisted Options Expiring 13 Aug 2007 Ex \$1.03)
	2,600,000	EPTAM (Unlisted Options Expiring 17 Dec 2007 Ex \$1.08)
	1,000,000	EPTAO (Unlisted Options expiring 12 July 2007 Ex \$0.30)
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change, with ordinary shares ranking equally with existing ordinary shares	

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the *securities will be offered	
14 *Class of *securities to which the offer relates	
15 *Record date to determine entitlements	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17 Policy for deciding entitlements in relation to fractions	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- | | | |
|----|--|--|
| 18 | Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders | |
| 25 | If the issue is contingent on ⁺ security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 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 | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do ⁺ security holders sell their entitlements <i>in full</i> through a | |

⁺ See chapter 19 for defined terms.

	broker?	
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	
33	⁺ Despatch date	

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 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

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
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					
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)					
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1"><thead><tr><th>Number</th><th>+Class</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

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:


(Director/~~Company secretary~~)

Date: 26 October 2005

Print name:

I. M. Kirkwood
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+ See chapter 19 for defined terms.

Notice under section 708A(5)(e) of the *Corporations Act 2001* (Cth)

Issuer: EPITAN LIMITED ABN 88 089 644 119 (Epitan)

Details of the issue or offer of securities

Class of securities	Ordinary Shares
ASX Code of the securities	EPT
Date of the issue or expected issue of the securities	25 October 2005
Total number of securities issued or expected to be issued	16,590,908

Notice

1. Epitan gives ASX (as the relevant market operator) notice relating to the issue of securities identified above.
2. This notice is given under paragraph 5(e) of section 708A of the *Corporations Act 2001* (Cth).
3. Epitan issued the securities identified above without disclosure to investors under Part 6D.2 of the *Corporations Act 2001* (Cth).
4. As at the date of this notice, Epitan has complied with:
 - (a) the provisions of Chapter 2M of the *Corporations Act 2001* (Cth) as they apply to it; and
 - (b) section 674 of the *Corporations Act 2001* (Cth).
5. There is no excluded information (as defined in section 708A(7) of the *Corporations Act 2001* (Cth)) as at the date of this notice.



Signed for and on behalf of the Issuer:

Date: 26 October 2005

Name: Iain Kirkwood

Position held: Managing Director