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Announcement follows re ShockRounds Acquisition and Business Update.

HARRINGTON GROUP LIMITED

ANNOUNCEMENT TO AUSTRALIAN STOCK EXCHANGE 13 October 2004

SHOCKROUNDS™ ACQUISITION AND BUSINESS UPDATE

As previously announced, Harrington Group Limited (ASX:HGR) ("Harrington") will hold a General Meeting of Shareholders seeking to approve the acquisition of the **ShockRounds™** "electric" munitions intellectual property and worldwide commercialisation rights. This Meeting will be held in Sydney at the CTA Business Club, MLC Centre – Cnr. Castlereagh and Martin Place on Friday, 22 October 2004 at 10am.

The **ShockRounds™** technology is positioned as a major breakthrough in the munitions, military and law enforcement industries. This patent pending development introduces an "electric" charge to traditional ammunition and other projectiles such as rubber bullets through the combination of existing ballistic and piezoceramic technologies. The planned **ShockRounds™** products have the potential to introduce to law enforcement and military, a new, more powerful, yet safer and less lethal level of stopping power combined with a product performance and versatility that is unmatched in today's market. A proof of concept prototype demonstration can be viewed at: http://www.comcourse.com/piezo_web_15fps.mov

A Prospectus seeking to raise up to \$4 million in new capital through the issue of 20 million shares and 10 million options is currently being prepared and is expected to be available for shareholder and public distribution before the end of October 2004.

Over the past months, Harrington, in association with MDM Group, has substantially progressed the **ShockRounds™** development program with the focus on establishing a professional management team and the necessary infrastructure to enable the next phase of product development upon transaction completion. During this time significant global relationships and **ShockRounds™** product awareness have been established.

The key project achievements are summarised as follows:

- Through MDM Group, an Enterprise Affiliate Agreement has been established with the Girvan Institute of Technology, a US based organisation chartered to foster public-private partnerships on a global scale.
- The US based **ShockRounds™** project management team has been accommodated in the Girvan Institute premises in Santa Clara, California. This facility supports numerous other key technology companies, including a US representation for Tenix Group, Australia's largest defence industry contractor.
- A **ShockRounds™** project laboratory and test range facility has been established in Tucson, Arizona.
- Key working relationships have been established with a number of US Government supported agencies with strong interests in less lethal weapons.

- Mr Marshall Couper, an executive with extensive global experience, has been appointed CEO of the **ShockRounds™** project and CEO elect of Harrington.
- Mr Taylor Fogelquist has been appointed as COO of the **ShockRounds™** project. He is based in the **ShockRounds™** Santa Clara office.
- Colonel John B. Alexander US Army (ret), a globally recognised expert, speaker and advisor in the field of less lethal weapons, has been appointed to the **ShockRounds™** Advisory Board as Chairman.
- The level of global awareness of the **ShockRounds™** technology and its industry potential is increasing with media coverage through ABC TV in the US, Discovery Magazine, Popular Mechanics in South Africa, LA Times, Chicago Tribune and numerous other publications; and leading websites such as Yahoo, CNN, Excite-Money, Bloomberg, Hoovers, MSN, CBS and NASDAQ.
- Mr Marshall Couper, the CEO of the **ShockRounds™** project, will be a guest speaker at two major international security and law enforcement conferences:
 - The Jane's 7th Annual Less Lethal Weapons Conference to be held in Dublin, Ireland on the 19th and 20th of October, 2004. This Conference has been specifically developed for today's police and military leaders who must apply force to manage rapidly unfolding operational situations where time is short, the facts are unclear and lives are at stake. See: <http://www.janes.com/security/conference/llw2004/programme.shtml>
 - The 2nd International Policing Conference 2004 to be held in Adelaide, Australia from 1st to 3rd November 2004. The Conference theme "Safety and Security in a Hi-Tech World " will feature speakers representing leading organisations from USA, UK, Europe, Asia, Canada and Australia in the fields of law enforcement, technology, business and finance.

Colonel John B Alexander (Ret), the Chairman of the **ShockRounds™** Advisory Board will also feature at this conference as a keynote speaker.
See: www.ipc2004.com/programs.shtml

Subject to Harrington Shareholder approval of the **ShockRounds™** transaction and the completion of the capital raising the Company will be positioned to immediately scale-up the current development work with the following major milestones as key objectives:

- November 2004: The successful completion of the Prospectus capital raising.
- January/February 2005: Demonstrations featuring the next series of **ShockRounds™** prototype.
- April 2005: The commencement of formal fabrication and testing of the **ShockRounds™** product range. This activity will continue through to September 2005.
- Late 2005: The commencement of the first pilot manufacturing runs to support initial sales to pre-selected agencies.

- 2006: The full scale commercial market launch of the **ShockRounds™** "electric" munitions.

About ShockRounds™

ShockRounds™ enabled ammunition will have the potential to provide more versatile, effective and safe 'hostile situation' solutions for law enforcement, military, border control, anti-terrorism and Homeland Security initiatives. When fired, **ShockRounds™** enabled ammunition will generate extremely high voltage charges that have the capacity, depending on the bullet used, to result in behaviour modification or target incapacitation on impact. It is proposed to incorporate the **ShockRounds™** technology in both less lethal rubber bullets as well as in traditional ammunition.

Given the global emphasis on law enforcement, security and terrorism prevention, the need for new and more effective less-lethal weapons could not be more acute. **ShockRounds™** technology will satisfy the demands of all these markets needs as it will introduce greater versatility, safety and options for the personnel that work in these sectors.

For further information see www.harringtongrouppltd.com and www.shockrounds.com or contact:

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