

Appendix 3Y

Change of Director's Interest Notice

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 30/9/2001.

Name of entity	Photon Group Limited
ABN	97 091 524 515

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Matthew William Bailey
Date of last notice	4 May 2004

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	No change to indirect interests
Date of change	28 August 2006
No. of securities held prior to change	2,124,713 ordinary shares, Matthew Bailey is registered as the holder of the securities in his capacity as joint trustee of the Matthew Bailey testamentary trust. Matthew Bailey is a beneficiary of the trust. Matthew William Bailey — 300,000 options over unissued ordinary shares.
Class	Ordinary
Number acquired	100,000 shares
Number disposed	Nil

+ See chapter 19 for defined terms.

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Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	100,000 options @ \$1.80 per share (being the exercise price of each option pursuant to which the issue is made)
No. of securities held after change	2,124,713 ordinary shares, Matthew Bailey is registered as the holder of the securities in his capacity as joint trustee of the Matthew Bailey testamentary trust. Matthew Bailey is a beneficiary of the trust. Matthew William Bailey – 100,000 shares. Matthew William Bailey – 200,000 options
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Exercise of Options

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	N/A
Nature of interest	N/A
Name of registered holder (if issued securities)	N/A
Date of change	N/A
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	N/A
Interest acquired	N/A
Interest disposed	N/A
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	N/A
Interest after change	N/A

+ See chapter 19 for defined terms.