Dulhunty Power Limited subsidiary Convertible Note debt for equity issue.

As indicated in the Dulhunty Power Limited Half-Year Financial Report for the half-year ended 31 December 2004, the note holders in a controlled entity, Dulhunty Engineering Limited, have on 15 April 2005 converted their notes to equity under the terms of the note issue documents. The impact on the Statement of Financial Position of the economic entity is to reduce current interest bearing liabilities by the amount of the convertible note debt, recorded at 31 December 2004 as $843,300. This effectively leaves the Dulhunty Power Group operating subsidiaries free of structured debt and removes inherent uncertainty from the balance sheet.

As a result of the conversion of the notes to ordinary shares in Dulhunty Engineering Limited, the interest that Dulhunty Power Limited has in the controlled entity will be reduced from 68.42% to 50%.

The election by the note holders to convert in full the notes reflects the confidence in the continued improved performance of the Dulhunty Power Group held by it's shareholders.