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.

Name of entity

METABOLISM HEALTH LIMITED

ABN

25 009 121 644

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 Converting Cumulative Preference Shares – Series A Converting Cumulative Preference Shares – Series B
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	**Ordinary Shares** 10,041,000 issued from public offering 2,000,000 issued to advisors and consultants 4,000,000 issued to vendors of The Metabolism Centre Pty Ltd (TMC) 736,580 debt for equity issue **Converting Cumulative Preference Shares** 2,000 Series A 2,000 Series B **Performance Options** 2,500,000 Options at an exercise price of $0.30 expiring on 30/9/2006

+ See chapter 19 for defined terms.

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** Fully paid ordinary shares **Converting Cumulative Preference Shares** Refer Attachment A. **Performance Options** Refer Attachment B.
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	**Ordinary Shares** *Public Offering* $0.20 *Advisers and Consultants* Nil consideration in lieu of services provided. *Vendors of TMC* Nil consideration in lieu of acquisition of TMC. *Debt for equity* Nil consideration in satisfaction of outstanding debt of $147,316 **Converting Cumulative Preference Shares** Nil consideration in lieu of acquisition of TMC. **Performance Options** Nil consideration.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	- To complete the acquisition by the Company of all the shares in The Metabolism Centre Pty Ltd; - To provide funding for expansion of the business into New South Wales and Queensland; - To fund business development expenditure; - To assist the Company in complying with Chapters 1 and 2 of the ASX Listing Rules; - To facilitate future access to capital markets that may not otherwise be available to an unlisted entity; and - For working capital purposes generally.
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	21 November 2003

+ See chapter 19 for defined terms.

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)	48,972,981 177,913	Ordinary shares Options at an exercise price of $100.00 and expiring on 30/06/04

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)	6,260,466 10,000 6,000 3,333,333 2,500,000 2,000* 2,000* *Refer to Attachment A	Ordinary shares subject to escrow Options at an exercise price of $150.00 and expiring on 30/06/04. Options at an exercise price of $250.00 and expiring on 30/06/04. Options at an exercise price of $0.20 and expiring on 31/12/05. Options at an exercise price of $0.30 and expiring on 30/09/06. CCPS Series A CCPS Series B

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
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	N/A
28	Date rights trading will begin (if applicable)	N/A

+ See chapter 19 for defined terms.

29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements *in full* through a broker?	N/A
31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	N/A

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

(If the additional securities do not form a new class, go to 43)

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

(now go to 43)

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A
39	Class of +securities for which quotation is sought	N/A
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	N/A
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)	N/A

42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class
N/A	

(now go to 43)

+ See chapter 19 for defined terms.

All entities

Fees

43 Payment method (tick one)

☐ Cheque attached

☐ Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

☐ Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

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: ....Date: 28 November 2003
(Director)

Print name: **James Cowling**

== == == == ==

+ See chapter 19 for defined terms.

Attachment A

Series A and B Convertible Cumulative Preference Shares - Terms and Conditions

1. Definitions

In these terms and conditions:

"Agreements" mean the Share Sale Agreements between MHL and the Preference Shareholders dated 25 July 2003.

"ASX" means Australian Stock Exchange Limited.

"Directors" mean the directors from time to time of MHL.

"Company" means The Metabolism Centre Pty Ltd ACN 097 913 463 of 6 Gould Street, Osborne Park, Western Australia.

"EBITDA" for the financial years ending on 30 June 2004 and 2005 (as appropriate) means A + B where:

> "A" = the audited profit or loss before taxation expense (or benefit), interest expense, amortisation charges and depreciation charges of the Company for the financial year commencing on 1 July 2003 and 2004 (as appropriate) and ending on 30 June of the immediate following year.
>
> "B" = the audited profit or loss before taxation expense (or benefit), interest expense, amortisation charges, depreciation charges and expenses associated with the claim by Barry Dorr of any related body corporate (as defined by the Corporations Act) for the period commencing on the day that it became a related body corporate and ending 30 June 2004 and 2005 (as appropriate).

"Issue Price" means A$0.20.

"Listing Rules" means the official listing rules of the ASX, as amended, added to or replaced from time to time.

"Completion" means completion of the Agreements.

"CCPS-A-Share" means a Series A Converting Cumulative Preference Share as referred to in clause 2.

"CCPS-B-Share" means a Series B Converting Cumulative Preference Share as referred to in clause 2.

"Corporations Act" means the Corporations Act 2001.

"MHL" means Metabolism HLimited ACN 009 121 644 of 6 Gould Street, Osborne Park 6017, Western Australia.

"MHL Shares" means a fully paid ordinary share in the capital of MHL.

"MHL Shareholder" means a holder of a MHL Shares.

"Preference Shares" mean the CCPS-A- Shares and CCPS-B-Shares.

"Preference Shareholder" mean the holder of a CCPS-A- Share or CCPS-B-Share.

2. Type and price

MHL may issue preference shares which will be known as "Series A Converting Cumulative Preference Shares" and "Series B Converting Cumulative Preference Shares" each at the Issue Price and on the terms and conditions herein.

3. Dividend

3.1 Preference Share dividend

Preference Shareholders are entitled to receive the dividend specified in this clause 0.

3.2 Dividend rate

The dividend is fixed at 5% of the Issue Price of each Preference Share. The dividend will be computed from the issue to the conversion date of the Preference Share on the basis of a 365 day year and pro rata for part of a year

3.3 Dividend entitlement

The time for the entitlement to a dividend is 5.00pm (WST) on 30 June of each year during the period from the issue to the conversion date of the Preference Share.

3.4 Dividend date

Dividends shall be paid if MHL has funds legally available for the payment of dividends within 30 days after the Preference Shareholder becomes entitled to the dividend.

3.5 Books closing date

Dividends are payable to the registered holders of each Preference Share as they appear in the register for the Preference Shares at 5.00pm (WST) on 30 June of each year during the period from the issue to the conversion date of the Preference Share.

3.6 Method of payment

Dividends shall be deemed paid if paid by cheque or direct debit on (or as soon as practicable after) the date determined by the Directors that a dividend is to be paid to the account or address nominated by the Preference Shareholder.

3.7 Preferential

Dividends on the Preference Shares shall rank in priority to dividends on the MHL Shares.

3.8 Cumulative

Dividends on the Preference Shareholders will be cumulative.

3.9 Pari Passu

Dividends on the Preference Shares shall rank pari passu with all other Preference Shares.

4. Redemption

The Preference Shares are not redeemable.

5. Conversion

5.1 Conversion

The Preference Shares will convert into MHL Shares in accordance with this clause 5.

5.2 Conversion Formula for the CCPS-A-Shares

The CCPS-A Shares each convert into MHL Shares as follows:

(a) if the EBITDA is less than \$2,000,000 for the financial year ending 30 June 2004, then each CCPS-A Share converts into one MHL Share;

(b) if the EBITDA is more than \$4,000,000 for the financial year ending 30 June 2004, then each CCPS-A Share converts into 12,500 MHL Shares; or

(c) if the EBITDA is more than or equal to \$2,000,000, but less than \$4,000,000 for the financial year ending 30 June 2004, then each CCPS-A Share converts into the number of MHL Shares as determined in accordance with the following formula:

$$\left\langle\left[\left(\frac{\text{EBITDA} - \$2{,}000{,}000}{\$2{,}000{,}000}\right)\right] * 6{,}250\right\rangle + 6{,}250$$

5.3 Conversion Formula for the CCPS-B-Shares

The CCPS-B Shares each convert into MHL Shares as follows:

(a) if the EBITDA is less than \$5,000,000 for the financial year ending 30 June 2005, then each CCPS-B Share converts into one MHL Share;

(b) if the EBITDA is more than \$10,000,000 for the financial year ending 30 June 2005, then each CCPS-B Share converts into 12,500 MHL Shares; or

(c) if the EBITDA is more than or equal to \$5,000,000 but less than \$10,000,000 for the financial year ending 30 June 2005, then each CCPS-BA Share converts into the number of MHL Shares as determined in accordance with the following formula:

$$\left\langle\left[\left(\frac{\text{EBITDA} - \$5{,}000{,}000}{\$5{,}000{,}000}\right)\right] * 6{,}250\right\rangle + 6{,}250$$

5.4 Automatic conversion

The CCPS-A-Shares and CCPS-B-Shares will automatically convert to MHL Shares in accordance with this clause 5 within 15 Business Days after the release to ASX of the audited financial reports for MHL for the years ending 30 June 2004 and 2005 respectively.

5.5 Statements

As soon as practicable after conversion of any Preference Share, MHL shall dispatch statements or certificates in respect of the MHL Shares issued as a result of the conversion.

5.6 After Conversion

The MHL Shares issued on conversion of any Preference Share will as and from 5.00pm (WST) on the date of allotment rank equally with and confer rights identical with all other MHL Shares then on issue.

6. Issue of MHL Shares for no consideration

MHL shall not allot and issue MHL Shares for no consideration and shall record the allotment and issue in the manner required by the *Corporations Act.*

7. Reconstruction

In the event of any reconstruction, consolidation or division into (respectively) a lesser or greater number of securities of the MHL Shares the Preference Shares shall be reconstructed, consolidated or divided in the same proportion as the MHL Shares are reconstructed, consolidated or divided and, in any event, in a manner which will not result in any additional benefits being conferred on the Preference Shareholders which are not conferred on the MHL Shareholders.

8. Winding up

If MHL is wound up prior to conversion of all of the Preference Shares into MHL Shares then the Preference Shareholders will have the right for each Preference Share held and not converted in MHL Shares to be paid cash for the Issue Price and any arrears of dividend in priority to the MHL Shareholders but will have no right to participate beyond the extent specified in this clause 8 in surplus assets or profits of MHL on winding up.

9. Non-transferable

The Preference Shares are not transferable.

10. Copies of notices and reports

The Preference Shareholders have the same right as MHL Shareholders to receive notices, reports and audited accounts and to attend general meetings of MHL but are only entitled to vote in the circumstances referred to in clause 11.

11. Voting rights

The Preference Shareholders shall have no right to vote save for those circumstances listed in Listing Rule 6.3.

Attachment B

Metabolism Health Limited

ABN 25 009 121 644

("Company")

Terms and conditions of Performance Options for Consultants/Key Employees

The material terms and conditions of the Performance Options are as follows:

1. 50% of the Performance Options are exercisable at any time up to and including 30 September 2006, with the remaining 50% exercisable from one year after the date of appointment and up to and including 30 September 2006 (**"Expiry Date"**).

2. The exercise price of each Performance Option is $0.006 (**"Exercise Price"**) (pre consolidation basis).

3. Each Performance Option exercised will entitle the holder to one Share in the capital of the Company.

4. The Performance Options may be exercised at any time prior to the Expiry Date, in whole or in part, upon payment of the Exercise Price per Performance Option.

5. Exercise of the Performance Options is effected by completing the notice of exercise of Performance Options form and forwarding it to the Company, together with payment of the relevant Exercise Price.

6. All Shares issued upon exercise of the Performance Options will rank pari passu in all respects with the Company's then existing Shares.

7. There are no participating rights or entitlements inherent in the Performance Options and holders will not be entitled to participate in new issues of securities offered to Shareholders of the Company during the currency of the Performance Options. Subject to paragraph 8, an optionholder is required to exercise the Performance Options in order to participate in any new issue of securities offered to Shareholders by the Company for subscription on a pro rata basis. Optionholders will be provided written notice of the terms of the pro rata offer to Shareholders and afforded that period of time as required by the Listing Rules of ASX before the record date to determine entitlements to the offer to exercise their Performance Options.

8. If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to the holders of Shares in the Company (a "bonus issue"), then upon exercise of his or her Performance Options an optionholder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) that number of securities which would have been issued to him or her under that bonus issue if the Performance Options had been exercised before the record date for the bonus issue.

9. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, on or prior to the Expiry Date, the Performance Options will be reorganised in accordance with the Listing Rules of ASX.

10. Performance Options are transferable, subject to the requirements of the Listing Rules of ASX concerning any Performance Options classified as restricted securities.

11. Shares allotted and issued pursuant to the exercise of an Performance Option will be allotted and issued not more than 15 business days after the receipt of a properly executed notice of exercise of Performance Option and the application monies. The Company will apply for Official Quotation of Shares issued pursuant to the exercise of Performance Options, in accordance with the Listing Rules.

12. In the event that before the one year anniversary of the appointment, the person's consultancy/employment with the Company is terminated either:

    (i) by the Company as a consequence of a negligent act involving the Company, or is convicted of a criminal offence; or
    (ii) by the consultant/employee terminating the arrangement with the Company,

    50% of the Performance Options originally granted shall immediate expire; and

13. In the event that the consultancy/employment is terminated due to incapacity or illness, the Optionholder shall be entitled to exercise at any time prior to the expiry of the Performance Options, those Performance Options which, at the date of such termination, would have been able to be exercised and the balance of the Performance Options shall immediately expire.

14. If there is a pro-rata issue (except a bonus issue) to the holders of the ordinary shares, the exercise price of an option which not exercised on or prior to the record date for determining entitlements to the pro-rata rights issue will be reduced according to the formula in ASX Listing Rule 6.22.