

M Health Limited

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7 September 2004

Company Announcements Office
Australian Stock Exchange Limited

By e-Lodgement

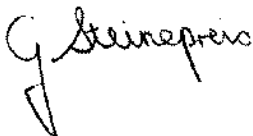
Dear Sir/Madam

ALLOTMENT OF SHARES AND OPTIONS

The Company advises that the following securities, pursuant to the Replacement Prospectus dated 10 August 2004, were issued and allotted on 7 September 2004 to raise \$1,750,000:

1. 50,000,000 Shares to the Investment Group and third parties nominated by the Investment Group at an issue price of 0.25 cents per Share to raise \$125,000 (**Ascent Offer**).
2. 65,000,000 Shares to the Investment Group and third parties nominated by the Investment Group at an issue price of 0.5 cents per Share to raise \$325,000 (**Investment Group Offer**).
3. 130,000,000 Shares to the Investment Group and third parties nominated by the Investment Group at an issue price of 1cent per Share to raise \$1,300,000 (**General Offer**).
4. 30,000,000 unlisted Options, each to acquire one Share, at an exercise price of 1 cent each to the Investment Group and third parties nominated by the Investment Group (**Option Offer**).

Yours faithfully



Gary Steinepreis
Director