GALE PACIFIC

Facsimile

TO:	**Australian Stock Exchange**	**FACSIMILE NO:**	
	Company Announcements Office	**1300 300 021**	
FROM:	**Peter McDonald**		
SUBJECT:	**Announcement of issue of options under employee option plan – Appendix 3B**		
DATE:	**16 December 2002**	**TOTAL NO. OF PAGES: 10**	

AUSTRALIAN STOCK EXCHANGE
GAP000035

Dear Sirs

Today the company issued options under its employee option plan to senior executives who applied for options at the board's invitation. An appendix 3B in relation to the issue is attached.

The terms of the option plan were summarised in the company's IPO prospectus dated 13 November 2000.

Shareholder approval is not required for the issue.

Yours faithfully

Peter McDonald
DIRECTOR

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coolaroo

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

Gale Pacific Limited

ABN

80 082 263 778

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	Options to subscribe for fully paid ordinary shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	650,000
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)	The options were issued under the company's employee option plan to 7 senior executives of the company and its subsidiaries. The plan was summarised in the company's IPO prospectus dated 13 November 2000. The principal terms of issue of options under the plan are as follows: 1. Each option entitles the holder to subscribe for 1 fully paid ordinary share. 2. The exercise price is $1.00 per option. 3. The expiry date of the options is 01 / 12 / 2004. 4. The exercise price or the number of options or underlying shares may be adjusted in the event of a bonus or rights issue or a reconstruction of the company's capital in accordance with the ASX listing rules.

+ See chapter 19 for defined terms.

3 Continued	5. A holder of options may exercise their options at any time prior to the expiry date, subject to the following conditions: (a) 45% of the total number of options (rounded to the nearest whole number) issued to the holder may be exercised provided that at any time before the day on which options are exercised by the holder the market price of a share in the company on each day for a consecutive period of 30 days on which there was a sale of the company's shares on the stock market of ASX was equal to or exceeded: • in the case of 550,000 of the options - \$1.75; and • in the case of 100,000 of the options - \$2.00; (b) a further 30% of the total number of options (rounded to the nearest whole number) issued to the holder may be exercised in addition to any other options the holder has previously become entitled to exercise, provided that at any time before the day on which options are exercised by the holder the market price of a share in the company on each day for a consecutive period of 30 days on which there was a sale of the company's shares on the stock market of ASX was equal to or exceeded; • in the case of 550,000 of the options - \$2.10; and • in the case of 100,000 of the options - \$2.35; and (c) a further 25% of the total number of options (rounded to the nearest whole number) issued to the holder may be exercised, in addition to any other options the holder has previously become entitled to exercise, provided that at any time before the day on which options are exercised by the holder the market price of a share in the company on each day for a consecutive period of 30 days on which there was a sale of the company's shares on the stock market of ASX was equal to or exceeded: • in the case of 550,000 of the options - \$2.50; and • in the case of 100,000 of the options - \$2.75.

+ See chapter 19 for defined terms.

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	No. Options will not be quoted or rank equally with any class of quoted securities. However, fully paid ordinary shares issued on exercise of the options will be quoted. Under the terms of issue of the options, those shares will rank: • for any dividend with a record date (for determining entitlements to it) which is the same as or after the date of issue of the shares equally with the fully paid ordinary shares then on issue; and • from the date of issue of the shares, in all other respects, equally with the fully paid ordinary shares then on issue.
5	Issue price or consideration	Nil
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The options are issued under the company's existing employee share plan with the objective of providing an incentive to those key senior executives of the group to whom options have been issued to improve the group's performance.
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	Certificates will be dispatched on or before 24 December 2002.

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)	43,279,668	Fully paid ordinary shares

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)	1,410,785 comprised of: • 760,785 options previously issued under the company's employee option plan; and • the 650,000 options referred to in item 2 above.	Options to subscribe for fully paid ordinary shares

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The options do not entitle their holders to dividends. Ordinary fully paid shares issued on exercise of the options will carry a right to receive dividends: refer to item 4 above.

Part 2 - Bonus issue or pro rata issue

Not applicable

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	

+ See chapter 19 for defined terms.

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.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
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	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements *in full* through a broker?	

+ See chapter 19 for defined terms.

31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	
33	+Despatch date	

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	
39	Class of +securities for which quotation is sought	
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	
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)	

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

(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.

+ See chapter 19 for defined terms.

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: 16/12/02
(Director)

Deleted: /Company secretary

Print name: **Peter R McDonald** ....

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+ See chapter 19 for defined terms.