Austock Group Limited
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4 December 2007

Ms Julia Kagan
Senior Adviser, Issuers (Melbourne)
ASX Limited

By email: julia.kagan@asx.com.au

Dear Julia

Pre quotation disclosure – terms and conditions of options on issue

As stated in its prospectus dated 12 November 2007, Austock Group has 4,727,440 options on issue.

The full terms and conditions of these options are outlined in this letter. The terms and conditions specific to each category of options are outlined in the table whilst the general terms and conditions applying to all options are below.

	Number	**Issue price**	**Exercise price**	**Vesting date**	**Expiry date**	**Performance hurdle**	**Other**
Category 1 options	234,000	$0.00	$1.00	1 July 2008	30 June 2010	n/a	Options lapse upon disposal of shares in respect of which they were issued
Category 2 options	147,600	$0.00	$0.6768	1 July 2008	30 June 2010	n/a	n/a
Category 3 options	285,000	$0.00	$1.00	1 July 2008	30 June 2010	n/a	n/a
Category 4 options	166,440	$0.00	$1.20833	1 July 2008	30 June 2010	n/a	n/a
Category 5 options	44,400	$0.225	$1.20833	1 July 2008	30 June 2010	n/a	n/a
Category 6 options	2,050,000	$0.00	$1.20833	1 July 2009	31 December 2010	Share price to reach $1.833 during exercise period	n/a
Category 7 options	1,500,000	$0.00	$1.40	1 July 2009	31 December 2010	Share price to reach $1.833 during exercise period	n/a
Category 8 options	300,000	$0.00	$1.25	1 November 2007	31 October 2010	n/a	n/a

Exercise period
The options may be exercised at any time between the vesting date and 5pm AEST on the expiry date. Options may only be exercised if the Company is, at the time, listed on a recognised exchange.

Expiry date
Options that are not exercised by this date will be forfeited.

Lapse of options earlier than expiry date
Options will lapse earlier than the expiry date in the following circumstances:

- in the event that the optionholder ceases employment with the Company or a related body corporate for any reason, the Options will lapse on the date which is 60 days after the date of cessation of employment, unless the Company determines otherwise. Circumstances where the Company may determine otherwise include cessation due to illness or redundancy.

Entitlement
Upon exercise, each option entitles the optionholder or its nominee/s to be issued with one fully paid ordinary share in the Company.

Manner of exercise
Optionholders may exercise their options by delivering or sending to the registered office of the Company a duly completed Notice of Exercise of Option together with the payment of the exercise price. The options may be exercised in whole or in part at separate times.

The Notice of Exercise of Option will be provided to optionholders closer to the time of the exercise period.

Ranking
Shares issued upon exercise of the options will rank equally in all respects with the shares then on issue. The Company will apply for the listing of all shares issued upon exercise of the options. Options will not be separately listed on a recognised exchange.

Dividends
The options will not rank for dividends. From the date of their allotment, shares issued upon exercise of the options will rank equally with the shares on issue and will be entitled to participate, without restriction, in any dividend declared on the shares for which the record date is on or after the date of issue of the shares arising upon exercise of the options.

Voting
The options do not confer upon the optionholder any additional entitlements to vote at meetings of shareholders.

New issues
Optionholders will be entitled to participate in new issues of capital which may be offered to existing shareholders of the Company only upon the prior exercise of these options. During the exercise period, the Company will ensure that for the purpose of determining entitlements to any such issue the record date will be at least 10 Business Days after the issue is announced to enable optionholders to exercise their options.

Reconstruction of capital
In the event that the Company reorganises its capital prior to the exercise of an option, the Directors may make such alterations to the number of options on issue and the terms of these options as they reasonably consider appropriate or necessary to maintain the relative values of the ordinary shares and options.

Effect of change on control
If during the currency of the options and prior to their exercise a takeover offer or a takeover announcement (within the meaning of the Corporations Act) is made to holders of shares then, within 10 Business Days after the Company becomes aware of the offer, the Company must forward a notice notifying each Optionholder of the offer and from the date of such notification each optionholder has 60 days within which to exercise the options, notwithstanding any other terms and conditions applicable to the options. Options which are not exercised within 60 days after notification of the offer will lapse.

Effect of loss of PDF status
In the event that the Company loses its status as a pooled development fund prior to the expiry date, the Company will use all reasonable endeavours to enable the Options to be exercised while the Company remains a pooled development fund, notwithstanding any other terms and conditions applicable to the options.

Change of rules
To facilitate a listing of the Company on a recognised exchange, the Directors may in their absolute discretion vary the terms of the options.

Listing Rules compliance
The rights of an option holder will be changed in the absolute discretion of the Directors to the extent necessary to comply with the listing rules applying to a reorganisation of capital at the time of reorganisation.

Yours faithfully

Amanda Gawne
Company Secretary