TranServ
AUSTRALIA LIMITED

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24 May 2007

Manager Announcements
Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

via electronic lodgement

Dear Sir/Madam,

PLACEMENT OF 55m SHARES TO RAISE $990,000

The Company has arranged to place 55 million shares at 1.8 cents each to raise $990,000. The shares will be issued to sophisticated investors and will take place under the Company's existing 15% placement capacity. These funds are required to replenish the Company's working capital, and will be used to fund the Company's existing business operations and facilitate new investment opportunities. The Company has been continuing to review possible investments, mainly in the oil and gas sector.

As detailed in the recent March quarterly report, the Company had a closing cash balance of $1.03m as at 31 March 2007. Of this balance $950,000 is set aside as a working capital facility to be drawn down as required for the Westrans fleet repair and maintenance business. This placement is required to augment the Company's free working capital.

For and on behalf of the Board