COLLTECH
biomaterials innovation

ABN 24 094 515 992

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31 August 2006

ASX
Exchange Plaza
No 2 The Esplanade
Perth WA , 6000

DESPATCH OF SHARE PURCHASE PLAN (SPP) DOCUMENTATION

Dear Sir

Further to the company's announcement of 15 August 2006, Colltech is pleased to provide a copy of the following documents:

- SPP introduction letter.
- Copy of the terms of the SPP.
- Investor Update dated August 2006.

These documents, along with a personalised application form, will be despatched today to Shareholders who were on the Share Register on the record date for the SPP at 14 August 2006.

Yours Sincerely

COLLTECH AUSTRALIA LIMITED
Mathew Whyte
Company Secretary

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biomaterials innovation

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30 August 2006.

Dear Shareholder,

Share Purchase Plan

As you will be aware CollTech announced on 15 August 2006 that it had successfully raised $1.8 million through a private placement to institutional and professional investors. Your Board is pleased to offer you the opportunity to participate under the same terms by way an exclusive Share Purchase Plan (SPP).

The purpose of this offer is to provide an opportunity for all eligible shareholders to increase their shareholding in CollTech by purchasing up to $5,000 worth of shares at a cost of 10.0 cents per share, being the same price as the Company's recently announced private placement. The Directors of CollTech have determined that the medium term capital requirements of the Company are such that the proceeds of the SPP need not exceed $1.2 million, although the SPP Terms & Conditions reserve the Company's right to accept oversubscriptions.

This offer will open on 4 September 2006 and close at 5.00 p.m. AEST on 20 September 2006.

The funds raised from the recent placement and the SPP will be used for capital expenditure and research and development expenses to advance the development of its biomedical collagen products and to supplement working capital.

The Company is pleased to report that CollTech's WA-based collagen production facility is now operational and the Company has achieved its first sales of its OVICOLL®|C cosmetic collagen to Asia. CollTech has entered an exciting growth phase with the manufacturing process now essentially de-risked and the Company poised for imminent cash-flow from sales of its cosmetic collagen products.

The placement and SPP adds substantially to CollTech's current sound financial position, with cash reserves expected to be $4.2 million at the conclusion of the SPP. The Board believes that this additional capital, combined with imminent cash-flow from sales of OVICOLL|C to the Asian cosmetic markets will place CollTech in a strong position to advance its timelines for entry into the higher value cosmetic and medical markets in the USA, Europe and Japan for its unique ovine collagen.

This letter sets out the basis of the offer to shareholders under the SPP. The Terms and Conditions of the SPP are attached to this letter. By accepting the offer to purchase shares under the SPP, you will have agreed to be bound by these Terms and Conditions and the Constitution of CollTech.

The issue price of 10.0 cents for each share under the SPP represents an 12.8% discount to the weighted volume average price of CollTech's shares on the Australian Stock Exchange (ASX) in the 5 days prior to 11 August 2006. You should note however that the market price of CollTech shares on the ASX may rise or fall between that date, the date of this offer, the date the offer closes and the date when CollTech issues shares to you. This means that the price you pay per share under this offer may be more or less than the price of CollTech shares at the time the shares are issued to you.

You will be eligible to participate in the SPP if you were a registered holder of fully paid ordinary shares of CollTech at 5.00 p.m. AEST on 14 August 2006 with a registered address in Australia. If you are eligible to purchase shares under the SPP, you may select only one of the following offers to purchase shares in CollTech:

Offer A	50,000 shares	Total amount payable at 10.0 cents per share	$5000.00
Offer B	20,000 shares	Total amount payable at 10.0 cents per share	$2000.00

No brokerage or other transaction costs will be charged to you for your purchase under the SPP. All new shares issued under the SPP will rank equally with existing fully paid ordinary shares in CollTech and will carry the same voting rights and all other entitlements.

You should seek your own financial advice in relation to this offer and your participation under the SPP.

The maximum investment of $5000.00 (or 50,000 shares) will apply even if you receive more than one offer from the Company (for example, because you are a joint holder of shares or because you hold more than one shareholding under separate share accounts). CollTech reserves the right to reject any application for shares where it believes this rule has not been complied with.

The Directors of CollTech have determined that the medium term capital requirements of the company are such that the proceeds of the SPP need not exceed $1.2 million. The SPP Terms and Conditions reserve the Company the right to accept subscriptions over $1.2 million, but if the Directors determine that oversubscriptions will not be accepted, then shares will be allocated to applicants on a pro rata basis.

If you wish to apply for any shares under the offer, you should complete the enclosed Share Purchase Plan Application Form and forward it with your payment by cheque or bank draft made payable to 'CollTech Australia Limited Share Purchase Plan Account' to our Share Registry so that it is received no later than 5pm AEST 20 September 2006. Cheques must be in Australian dollars and drawn on an Australian bank account. If the exact amount of money is not tendered with the acceptance slip, CollTech reserves the right to return your application slip and cheque and not allot any shares to you. Address and contact details for the Share Registry are set out below.

Participation in the SPP is entirely at your option. The offer is non-renounceable, which means that you cannot transfer your right to purchase shares under the offer to anyone else.

CollTech may conduct further offers under the SPP in future years, however, in any consecutive 12 month period the maximum value of shares you may subscribe for under the SPP is $5,000 or such lesser amount as the Board may determine.

It is anticipated that the shares allotted to you under the SPP will be quoted on Australian Stock Exchange Limited on or about 30 September 2005 and you should receive your holding statement or confirmation advice shortly after this date.

If you have any questions in respect of the SPP, please contact CollTech's Share Registrar, Computershare on 1300 557 010 or Radar Investor Relations on 02 8256 3381.

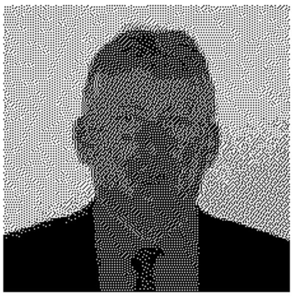
Yours sincerely,
COLLTECH AUSTRALIA LIMITED

Stephen Carter,
Chairman.

COLLTECH biomaterials innovation

INVESTOR UPDATE: AUGUST 2006

CHAIRMAN'S REVIEW



Mr Stephen Carter FAIM MAICD MRACI
Chairman

I am delighted to report that CollTech's WA-based collagen production facility is now operational and the Company has achieved its first sales of its OVICOLL®|C cosmetic collagen to Asia. CollTech has entered an exciting growth phase with the manufacturing process now essentially de-risked and the Company poised for imminent cashflow from sales of its cosmetic collagen products.

A strategic review of the Company's operations during the year has resulted in a change of direction from the production of high volume, low margin collagen food products to low volume, high margin cosmetic and biomedical products. This review and the appointment of key management and operating staff has seen CollTech reposition itself from tracking behind schedule to being 6-months ahead of schedule for its biomedical program.

The operations team has now completed the commissioning of the Collie Plant for commercial production of OVICOLL®|C and the sales team has achieved its first sales of OVICOLL®|C cosmetic collagen in the growing Asian market. Additionally, the Company recently announced that it signed a HOA for distribution of its OVICOLL® cosmetics products in China, which represents a significant milestone for CollTech towards achieving its business objectives in 2007. Marketing initiatives remain focused on establishing distribution channels and building sales of OVICOLL®|C to Asia, and OVICOLL®|Clear to the high-value cosmetics markets in Japan, USA and Europe.

Our R&D team, led by Dr Deborah Cooper has defined the filtration process to enable biomedical collagen production and the Company is now moving to install and commission the filtration equipment in readiness for launch of its OVICOLL®|Clear premium cosmetic product in Dec-06, and its biomedical collagen products in 2007.

In August, the Company successful completed a $1.8M placement and announced a Share Purchase Plan to strengthen its capital position and fund the advancement of its biomedical program. The placement and SPP will add substantially to CollTech's current sound financial position, with cash reserves expected to be $4.2 million at the conclusion of the SPP.

With the manufacturing process de-risked, the biomedical program tracking 6-months ahead of schedule and OVICOLL®|Clear due for launch in Dec-06, the Board is confident that CollTech is now strongly positioned to achieve its milestones for FY2007.

SIGNIFICANT ACHIEVEMENTS

- Dialysis trials completed and process scaled-up to enable production of OVICOLL®|C
- First sales of OVICOLL®|C cosmetic collagen to Asia
- Proof of concept for filtration process to enable production of OVICOLL®|Clear
- Development program for biomedical collagen tracking 6-mo ahead of schedule
- HOA for distribution of OVICOLL® cosmetic products in Asia
- Australian, New Zealand & South African patents granted
- Appointment of pharmaceutically experienced Operations Manager

MANUFACTURING

- Dialysis trials completed & process scaled-up
- Commercial production of OVICOLL®|C commenced
- Filtration trials to enable production of OVICOLL®|Clear tracking ahead of schedule

Collie Plant operational

FY2006 saw CollTech focused on an extensive process development program to overcome the issues related to its novel sheepskin raw material and commission it's Collie Plant for soluble collagen production. The Collie Plant was announced commissioned in 2Q06, and subsequently dialysis trials were completed and ultrafiltration equipment commissioned to enable commercial production of OVICOLL®|C cosmetic collagen in Jul-06.

The operating capacity of the Collie Plant has been planned to meet long-term forecast demand for OVICOLL® products. The manufacturing process enables high yields of soluble collagen with attractive product margins for the entire OVICOLL® product range.

Skin supply

The Company has a Pelt Supply Agreement with its major supply partner Fletchers International Exports, which operates licensed export abattoirs in WA and Victoria that are more than capable of meeting CollTech's long-term sheepskin requirements.

Filtration process scale-up and commissioning

CollTech announced on 24 Jul-06 that its filtration trials to enable production of OVICOLL®|Clear premium cosmetic collagen were tracking ahead of schedule. CollTech's external contractors successfully defined the process to produce a high-purity, clear, soluble collagen of high protein content for the high value cosmetics market in the USA, Europe and Japan.

CollTech is now working closely with a major international filtration company to finalise the validation, scale-up and commissioning of its filtration process to produce OVICOLL®|Clear. CollTech expects to commission the filtration equipment in 4Q06 to enable launch of OVICOLL®|Clear in Dec-06.

Dr Cooper, CollTech's CSO, recently visited the Consultant's facilities to review the process and final product, and discuss the commissioning program. Dr Cooper stated "we have demonstrated proof of concept and reproducibility of the process and will immediately move to complete the equipment specifications, install and commission the equipment to allow up-scaling and validation on site."

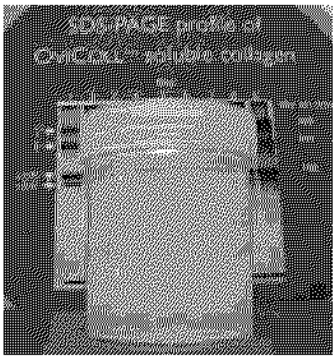
The manufacturing process has now been significantly de-risked. Installation and commissioning of the filtration system, critical for the production of the Company's biomedical collagen, is expected to run smoothly as the filtration system is standard off-the-shelf equipment and commissioning is being managed in consultation with collagen-experienced filtration experts.

Plant upgrade and ISO accreditation

In preparation for biomedical collagen production, the Plant will undergo planned upgrades and implement manufacturing policies and procedures to ISO standards to enable accreditation in 2007.

PRODUCTS & PIPELINE

- OVICOLL®|C launched in Asia
- OVICOLL®|Clear to be launched Dec-06
- Product development program for biomedical collagen 6-mo ahead of schedule
- Pipeline of products for cosmetic and medical applications



OVICOLL® ovine collagen

Australian-produced OVICOLL® ovine collagen is a safe and market acceptable collagen alternative that is fully traceable and unaffected by the issues of Mad Cow Disease or cultural acceptance. CollTech currently markets OVICOLL®|C for cosmetic applications and has several products in the pipeline for the global cosmetics and medical markets.

OVICOLL® ovine collagen has several advantages over other collagen sources including:

- **Disease-free:** High quality Australian collagen sourced from veterinary certified TSE-free sheep
- **Safe and natural active ingredient:** Suitable for a wide range of food, cosmetic and medical applications
- **Excellent moisturiser:** Triple helix structure of native collagen provides excellent moisturising and film-forming properties for cosmetic applications
- **High purity:** High-purity biomedical collagen with biocompatible, hypoallergenic and cell-adhesive properties for medical applications
- **Stability at room temperature:** ↑hydroxyproline content increases stability at room temperature
- **Market acceptance:** Religious and cultural acceptance of ovine collagen
- **Quality-assured traceability:** Fully traceable and ISO9001 compliant

Pipeline

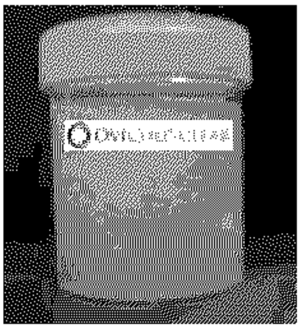
CollTech is now focused on the development of its higher value biomedical collagens OVICOLL®|Clear for premium cosmetics, OVICOLL®|R for research purposes and OVICOLL®|M for medical applications. The product development program for higher value biomedical collagen is tracking 6-months ahead of schedule. The development timelines and descriptions for the OVICOLL® collagen pipeline are provided below:

Product	Application	Description	Target Completion
OVICOLL®| Clear	Premium cosmetics	Ovine soluble collagen for premium cosmetics and cosmeceuticals (0.5% protein, clear solution, >90% pure)	Dec-06
OVICOLL®|R	Research purposes only	Biomedical ovine soluble collagen for research purposes only (0.3% protein, clear solution, >95% pure)	Jun-07
OVICOLL®| M	Woundcare, haemostats, cell/drug delivery, tissue engineering & injectables	Biomedical ovine collagen (0.3% protein solution, >95% pure) for medical applications	Dec-07

CollTech's strategy is to commercialise its OVICOLL® cosmetic collagen products through strategic partnerships with distributors in key cosmetic markets and its OVICOLL® biomedical collagen through licensing agreements to pharmaceutical and medical device companies in target medical markets.

SALES, MARKETING AND DISTRIBUTION

- Asian customers confirm excellent moisturising effect of OVICOLL®|C
- First sales of OVICOLL®|C cosmetic collagen to Asia
- Marketing program for OVICOLL®|Clear to US & Japan advanced
- HOA signed for China



OVICOLL®|C sales results

Samples of CollTech's cosmetic collagen OVICOLL®|C were delivered to cosmetic ingredient distributors and manufacturers in May-06 for product evaluation and testing. Customers used OVICOLL®|C to test formulate collagen-based skincare products, including moisturisers and eye gels, and were pleased with its moisturising and film-forming properties compared to other collagen sources. Following these good results and subsequent negotiations, CollTech announced its first orders from these customers on 20 Jul-06.

These initial orders for OVICOLL®|C are a significant milestone for CollTech as they demonstrate a market acceptance for CollTech's unique ovine collagen in the important Asian market.

OVICOLL®|Clear initiatives

CollTech has stepped-up its marketing program for OVICOLL®|Clear with the recent appointment of a marketing coordinator and planned appointment of a business development manager to implement its marketing and business development programs. The Company will progress negotiations with interested parties in the US and Japan for its premium-grade cosmetic collagen OVICOLL®|Clear by providing samples for evaluation and product testing in the near future.

Heads of Agreement

CollTech signed a Heads of Agreement (HOA) in Aug-06 for the distribution of its OVICOLL® cosmetic products in China. The distribution partner is a Taiwanese company with an established presence in cosmetic manufacturing and ingredient distribution in Taiwan and China. The partner has a cosmetic manufacturing facility in Australasia and is currently building a second facility in China. It also has existing distribution channels for other cosmetic ingredients in China and operates a successful home shopping network in Taiwan.

The HOA represents a commitment from CollTech and its distribution partner to finalise a Distribution Agreement, which represents a significant business opportunity for both parties.

CollTech will continue to strengthen its distribution channels for its OVICOLL® cosmetic collagen products as it enters new markets through partnerships with established cosmetic ingredient distributors and manufacturers.

FINANCIAL UPDATE

- CollTech raises $1.8M in private placement
- CollTech announces SPP of $1.2M
- Cash at 30/6/06 of $1.7M
- Current spend rate of $230K
- R&D rebate of $300K

Successful placement of $1.8M

CollTech successfully raised $1.8 million in mid August through a private placement to institutional and professional investors.

Share Purchase Plan

The Board will also offer all existing shareholders an opportunity to participate under the same terms through a Share Purchase Plan (SPP) offer. The SPP offer will enable each shareholder to purchase up to $5,000 worth of ordinary shares at the placement price of 10.0 cents per share. The share plan offer will open on 4 September 2006 and close on 20 September 2006. Documentation in relation to this offer will be mailed to shareholders on or about 1 September 2006.

The placement and SPP proceeds will be used for capital expenditure and research and development expenses to advance the development of its biomedical collagen products and to supplement working capital.

The placement and SPP adds substantially to CollTech's current sound financial position, with cash reserves expected to be $4.2 million at the conclusion of the SPP. The Company's current cash spend rate is approximately $230,000 per month.

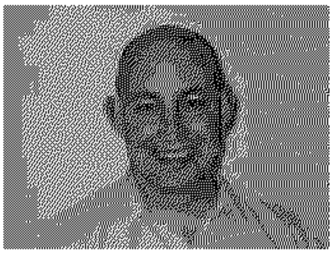
INTELLECTUAL PROPERTY POSITION

- 3 granted patents in AU, NZ & South Africa
- 1 trade mark registration in AU

CollTech owns the rights to its novel industrial process for the separation, extraction and purification of collagen from sheepskins. The IP portfolio currently consists of three (3) granted patents in Australia, New Zealand and South Africa (2004/8715), and eight (8) patent applications in other key jurisdictions including USA, Europe, Japan and China. The Company's core patent entitled 'Collagen and method for producing same' provides market protection for novel aspects of the Company's industrial process for the isolation of bio-molecules such as collagen and gelatine from animal skins until 2023.

HUMAN RESOURCES

- Key appointments to Board and management team
- Strengthening of manufacturing, sales and science teams
- Appointment of pharmaceutically experienced Operations Manager



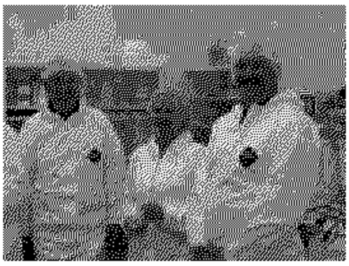
CollTech made several appointments over the last 12 months to strengthen its Board and management, including the additions of Dr Deborah Cooper as CSO and Mr Stephen Carter as Chairman, and the promotion of Dr Leearne Hinch to General Manager. The Company will also focus on building its science, sales and manufacturing teams to deliver its FY07 initiatives and objectives.

Most recently the Company appointed Stewart Walton BSc as Operations Manager to lead the manufacturing team to achieve production optimisation, targets, quality and reporting requirements. Mr Walton has significant management experience with strengths in development, manufacturing, engineering and quality assurance gained from over 13 years with pharmaceutical companies Delta West, Pharmacia & Upjohn and Pfizer in Australia and Europe. Mr Walton has led several start-up and revamp projects, and has extensive experience in the specification, purchasing and commissioning of Good Manufacturing Practice (GMP) facilities and equipment. He most recently assisted Chemeq Ltd to achieve its GMP license as Quality Operations Manager. Mr Walton holds a Bachelor of Science from Curtin University.

The appointment of Mr Walton was timed to coincide with the production and sales of CollTech's cosmetic collagen OVICOLL®|C and the current plant upgrade to produce OVICOLL®|Clear. Mr Walton will be responsible for commissioning and completion of other plant upgrades to enable biomedical collagen production in 2007.

OTHER INITIATIVES

- Licensing opportunities for food products being evaluated
- CollTech participates in US commercialisation program
- Minister visits Collie Plant



Licensing opportunities

CollTech has received significant interest in the use of its ovine collagen for collagen-based casings and nutraceutical applications, and is investigating licensing opportunities with potential partners to manufacture insoluble collagen and collagen hydrolysates for food products.

Government grant

CollTech was recently chosen to participate in the WA Department of Industry and Resources (DOIR) US Commercialisation Roadmap Pilot Program to assist the Company to develop and implement its US commercialisation strategy. The Program includes a visit to the US to meet with potential distribution and collaboration partners in Oct-06.

Minister's visit

The Hon Francis Logan MLA, Minister for Energy, Science and Innovation recently visited CollTech's collagen extraction plant in Collie, WA, with local member Mick Murray MLA. The Minister's party expressed their enthusiasm for the strategic value added by the collagen facility to WA's biotechnology and agricultural industries.

COLLTECH AUSTRALIA LIMITED
ACN 094515992

SHARE PURCHASE PLAN

This plan was approved by the
Directors of CollTech Australia Limited
on 10 August 2005.

COLLTECH AUSTRALIA LIMITED
ACN 094515992

TERMS AND CONDITIONS OF THE SHARE PURCHASE PLAN

1. DEFINITIONS

1.1 In this Plan unless the contrary intention appears:

"**Acceptance Period**" means the period commencing on the date on which Offers under the Plan are made to Shareholders and ceasing on the Closing Date;

"**Allotment Period**" has the meaning given in clause 5.3;

"**Allowable Cash Contribution**" has the meaning given in clause 5.3(a);

"**ASIC**" means Australian Securities Investment Commission;

"**ASX**" means Australian Stock Exchange Limited;

"**ASX Listing Rules**" means the listing rules of ASX;

"**Business Day**" means a day other than Saturday or Sunday on which Australian banks are open for business in Perth, Western Australia;

"**Closing Date**" means the date specified as such in the Offer, or such later date, as may be determined by the Directors as the closing date of the Offer;

"**Company**" means CollTech Australia Limited ACN 094515992;

"**Directors**" means the Directors for the time being and from time to time of the Company;

"**Issue Price**" means the price determined by the Directors of the Company from time to time;

"**Market Price**" means the average of the sale price per Share of Shares sold in the ordinary course of trading on the ASX during a specified period, as the Directors may determine, in the 30 days prior either to the date of the Offer or the date of the issue of Shares under the Offer;

"**Offer**" means an offer of Shares made to Shareholders under the Plan, from time to time;

"**Plan**" means the CollTech Australia Limited Share Purchase Plan established in accordance with these Terms and Conditions, as amended from time to time;

"**Record Date**" means the date for determining a person's eligibility to participate in the Plan, as the Directors may determine;

"**Share Registry**" means the Company's share registry;

"**Shareholder**" means, subject to clauses 1.6 and 1.7, a person registered as the holder of Shares as at the Record Date;

"**Shares**" means fully paid ordinary shares in the Company;

"**SPP**" means a share purchase plan (including the Plan) in accordance with ASIC class order 02/831; and

"**Terms and Conditions**" means these terms and conditions, as amended from time to time.

1.2 Words importing gender include the masculine, feminine and neuter genders, and the singular includes the plural and vice versa.

1.3 Headings are included for convenience only and will not affect the construction or interpretation of the Plan.

1.4 A reference to a person includes a reference to a body corporate and vice versa.

1.5 Terms defined in the Corporations Act have the same respective meanings in this Plan, unless the contrary intention appears.

1.6 **Joint holders:** if a Shareholder is recorded with one or more other persons as the joint holder of a holding of Shares, that joint holding is considered to be a single registered holder for the purposes of this Plan in respect of that holding. If the same joint holders receive more than one offer under the Plan due to multiple identical holdings, the joint holders may only apply for one maximum parcel of Shares.

1.7 **Trustees and nominees:** if a trustee or nominee is expressly noted on the register of members as holding Shares on account of another person (a "**Beneficiary**"):

(a) the Beneficiary is taken to be the registered holder in regard to those Shares; and

(b) any application for the issue of Shares or certification for the purposes of clause 5.2 by, and any issue of Shares to, the trustee or nominee, is taken to be an application or certification by, or an issue to, the Beneficiary.

2. THE PLAN

2.1 The Plan is a method by which eligible Shareholders may elect to subscribe for additional Shares by making contributions, pursuant to an Offer made by the Company.

2.2 Participation by eligible Shareholders in the Plan is optional and is non-renounceable.

3. ELIGIBILITY

3.1 Subject to clauses 3.2, 3.3 and 3.4, all Shareholders are eligible to participate in Offers made under the Plan.

3.2 No Shareholder will be eligible to participate in the Plan until the Company accepts that Shareholder's application form in accordance with clause 4.1.

3.3 The Directors have decided that the right to participate in the Plan will not be available to Shareholders who have registered addresses in a country or place other than Australia.

3.4 The date for determining eligibility is the relevant Record Date.

3.5 Each Shareholder is solely responsible for obtaining any government or regulatory approvals and consents necessary for that Shareholder to be eligible to participate in the Plan.

3.6 If an application form is rejected, the Company must notify the Shareholder of the rejection as soon as practicable thereafter and return to the Shareholder any contribution made by that Shareholder. No interest will be paid on any money returned.

4. APPLICATION FORMS

4.1 The Company will not accept an application form from an eligible Shareholder unless:

(a) the application form is fully and correctly completed;

(b) it is received by the Company during the Acceptance Period; and

(c) the Shareholder attaches the contribution that is to be made pursuant to that application form.

5. OPERATION OF THE PLAN

5.1 Each contribution received by the Company from or on behalf of a Shareholder in response to an Offer will, subject to these Terms and Conditions, be used to acquire additional Shares.

Shares issued under the Plan will be priced and issued by the Company at a discount to the Market Price, as determined by the Directors of the Company from time to time.

The issue price will be rounded down to the nearest cent.

5.2 A Shareholder's contribution to the Plan in response to an Offer, must:

(a) be for such minimum Shares or contribution amount as determined by the Directors; and

(b) when aggregated with any contributions made under any other SPP, not exceed in total $5,000 in any consecutive 12 month period,

and a Shareholder must provide the Company, on application for Shares in response to an Offer, with a certification to that effect.

5.3 Subject to clause 6.5, in respect of each contribution received from a Shareholder, the Company will, within 10 business days after the end of the Acceptance Period ("**Allotment Period**"):

(a) credit the Shareholder with so much of the contribution as does not exceed $5,000 when added to all other SPP contributions (if any) received from the Shareholder in the preceding 12 months ("**Allowable Cash Contribution**");

(b) determine the maximum number of additional Shares rounded up to the nearest whole number priced in accordance with clause 5.1 which may be acquired by the Shareholder using the amount of Allowable Cash Contribution credited to the Shareholder;

(c) allot the number of additional Shares to the Shareholder; and

(d) return to the Shareholder so much of the contribution as exceeds the limit of $5,000 (if any), when all SPP contributions made during the preceding 12 months are aggregated.

6. SHARES ALLOTTED UNDER THE PLAN

6.1 Subject to Company's Constitution, all Shares issued under the Plan will rank equally in every respect with the existing issued Shares of the Company.

6.2 On each occasion Shares are allotted under the Plan to a Shareholder, the Company will procure the Share Registry to issue a holding statement to that Shareholder for the total number of Shares allotted to that Shareholder in accordance with the ASX Listing Rules.

6.3 Shares will be allotted and application will be made by the Company to officially quote the Shares issued under the Plan on the ASX within the relevant period specified in the ASX Listing Rules.

6.4 Shares will not be allotted under the Plan unless and until all necessary shareholder approvals are obtained to ensure that the issue of the Shares does not contravene any laws or the ASX Listing Rules.

6.5 The Company reserves the right to allot fewer than a Shareholder applies for pursuant to an Offer or no Shares in any of the following circumstances:

(a) the Company wishes to raise a specified amount under the Plan and the amount raised from applications received is in excess of that specified amount. In the event the Company raises in excess of such specified amount, the allocation of Shares to applicant Shareholders will be at the discretion of the Directors from time to time;

(b) the necessary shareholder approval for the issue of Shares is not obtained; or

(c) the Company believes that the allotment of those Shares would otherwise contravene any law or ASX Listing Rule. In the event the Company is not permitted to issue all the Shares offered as a result of any law or ASX Listing Rule, the allocation of Shares to applicant Shareholders will be at the discretion of the Directors from time to time.

7. COSTS TO SHAREHOLDERS

No brokerage, commission or other transaction costs and no stamp duties will be payable by Shareholders on allotments of Shares to Shareholders under the Plan.

8. DURATION OF THE PLAN

The Plan will operate until terminated by the Directors.

9. MODIFICATIONS AND TERMINATION OF THE PLAN

9.1 The Directors may at any time resolve to:

(a) vary the Plan and any agreement relating to the Plan in compliance with the Corporations Act;

(b) suspend the operation of the Plan; or

(c) terminate the Plan.

9.2 Any variation, suspension or termination of the Plan, made in accordance with clause 9.1:

(a) subject only to clause 9.3, will be effective from the date of such resolution or otherwise from a date determined by the Directors; and

(b) will not give rise to any liability on the part of or right of action against the Company or the Directors.

9.3 The Directors may at any time prescribe the manner in which notice to Shareholders of any variation, suspension or termination of the Plan will be given or deemed to have been given to Shareholders, including, without limitation, by an announcement by the Company to ASX, which notice will be effective immediately on the giving of that notice of variation, suspension or termination in the manner prescribed by the Directors.

9.4 The accidental omission to give notice of any variation, suspension or termination of the Plan to any Shareholder in the manner so prescribed by the

Directors pursuant to clause 9.3 or, where applicable, the non-receipt of any such notice by any Shareholders will not invalidate the variation, suspension or termination of the Plan.

10. DISPUTES

The Directors may resolve any dispute concerning the Plan in such manner as they see fit or adopt any administrative procedures in relation to the Plan as they deem appropriate. The decision of the Directors will be final and binding on the parties to the dispute or Shareholders or both, as the case may be.

11. NOTICES

11.1 Notices to the Company will only be effective if in writing, and in such form as the Company directs from time to time, and sent to the Company at its Share Registry, or such other address as is notified by the Company from time to time.

11.2 Notices must be received by the Company during the Acceptance Period to be effective for the issue of Shares that relate to that period. Notices received after the Acceptance Period will not be effective.

12. GOVERNING LAW

The Plan, the Terms and Conditions, and the operation of the Plan shall be governed by the law of the state of Western Australia.