



4 April 2006

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2001

Dear Sirs

ISSUE/EXERCISE OF STAFF OPTIONS

I advise that Imdex Limited has issued 2,680,000 options to staff of the Company. The options have an exercise price of 35 cents and a five year life. They are exercisable one year after the date of issue, in one-third lots each year thereafter and lapse if the employee leaves the Company.

As has been the case in the past, these options are issued as both a recognition for past efforts and a future incentive as staff participate in the ownership of the Company. No director has participated in this issue.

The Company has also issued 25,000 ordinary shares in Imdex Limited as a result of the exercise of previous Staff Options on issue.

Please find attached the requisite Appendix 3B "New Issue Announcement" relating to these issues.

Yours faithfully
Imdex Limited

Stephen J Lyons
Company Secretary

About Imdex:

Imdex is a Perth-based public company listed on the Australian Stock Exchange, whose core business is the supply of drilling products and services in Australia and internationally to the oil and gas, mining, water well, horizontal directional drilling and civil industries

For further information, please contact:

Bernie Ridgeway, Managing Director; **Stephen Lyons**, Company Secretary

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, 1/1/2003, 24/10/2005.

Name of entity

INDEX LIMITED

ABN

78 008 947 813

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 | (A) STAFF SHARE OPTIONS
(B) ORDINARY SHARES |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (A) 2,680,000 STAFF SHARE OPTIONS
(B) 25,000 ORDINARY SHARES |
| 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) | (A) STAFF SHARE OPTIONS
Exercise Price: 35 cents;
Expiry Date: 31 January 2011;
Exercisable 1 year after date of issue in 1/3 lots each year thereafter;
Issued pursuant to the Staff Option Scheme.

(B) ORDINARY FULLY PAID SHARES |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

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	(A) N/A (B) YES, PARI PASSU WITH ORDINARY SHARES				
5 Issue price or consideration	(A) N/A (B) 20 CENTS				
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	(A) Staff Options are issued as a reward for past services and to provide an incentive for future efforts. (B) Issued pursuant to the exercise of 25,000 Staff Options				
7 Dates of entering +securities into uncertificated holdings or despatch of certificates	(A) N/A (B) On or about 2 February 2006				
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="706 1354 982 1417">Number</th><th data-bbox="982 1354 1265 1417">+Class</th></tr> </thead> <tbody> <tr> <td data-bbox="706 1417 982 1621">139,456,037</td><td data-bbox="982 1417 1265 1621">FULLY PAID ORDINARY SHARES</td></tr> </tbody> </table>	Number	+Class	139,456,037	FULLY PAID ORDINARY SHARES
Number	+Class				
139,456,037	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)	3,048,333	\$0.20 STAFF OPTIONS
	100,000	\$0.20 CONSULTANTS OPTIONS
	2,000,000	\$0.20 CONSULTANTS OPTIONS
	1,000,000	\$0.35 CORPORATE ADVISORS OPTIONS
	2,000,000	\$0.30 MANAGING DIRECTOR'S OPTIONS
	2,680,000	\$0.35 STAFF OPTIONS
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Bonus issue or pro rata issue

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.

Appendix 3B
New issue announcement

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 <i>in full</i> through a	

+ See chapter 19 for defined terms.

broker?

- 31 How do ⁺security holders sell *part* of their entitlements through a broker and accept for the balance?

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 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) ☒ (B) Ordinary Share 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

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

+ See chapter 19 for defined terms.

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)					
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> <tr> <td style="height: 80px;"></td> <td></td> </tr> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

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.

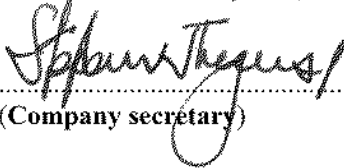
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- 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.
- 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.

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:


(Company secretary)

Date: 4 April 2006

Print name:

STEPHEN JOHN LYONS

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+ See chapter 19 for defined terms.