

MELBOURNE CAPITAL LIMITED A.B.N. 30 055 638 438

("UNDERWRITER")

AND

TRANSOL CORPORATION LIMITED A.B.N. 73 089 224 402

("COMPANY")

UNDERWRITING AGREEMENT

For the underwriting of 20 million fully paid ordinary shares at a price of 25 cents each with a one for two attaching 31 May 2006 25 cent option to raise \$5 million

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THIS UNDERWRITING AGREEMENT is made on 13th November 2003

BETWEEN: MELBOURNE CAPITAL LIMITED A.B.N. 30 055 638 438
of Level 14, 31 Queen Street,
Melbourne, Victoria, 3000
Australia
(the "Underwriter")

AND: TRANSOL CORPORATION LIMITED A.B.N. 73 089 224 402
of Level 11, 300 Flinders Street
Melbourne, Victoria, 3000
Australia
(the "Company")

WHEREAS:

- A. The Company proposes to raise the sum of \$6 million by way of issuing 24 million fully paid ordinary shares at a price of 25 cents each with a one for two attaching 25 cent 31 May 2006 options.
- B. The Company has requested the Underwriter to underwrite the Underwritten Shares and Options to \$5 million represented by 20 million fully paid ordinary shares at a price of 25 cents each with a one for two attaching 25 cent 31 May 2006 options, and the Underwriter has agreed to do so for the consideration and subject to the terms and conditions in this Agreement.

NOW IT IS HEREBY AGREED

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement unless the context otherwise requires:

- * "**Application**" means a duly completed (and executed) and valid application for Shares in the form of the application attached to the Prospectus;
- * "**ASIC**" means the Australian Securities and Investments Commission;
- * "**ASX**" means the Australian Stock Exchange Limited;
- * "**Business Day**" means a day on which the ASX is open for trading in Melbourne;
- * "**Closing Date**" means the date specified in the Prospectus as the date on which subscription lists are to close;

- * **"Indemnified Party"** means the Underwriter, any officer, employee, agent or advisor of the Underwriter or any sub-underwriter appointed by the Underwriter and its officers and employees;
- * **"Issue Period"** means the period from the date of lodgement of the Prospectus up to and including the Closing Date;
- * **"Listing Rules"** means the Listing Rules of the ASX as varied by any exemptions or waivers granted by the ASX in respect of the Company or the Offer;
- * **"Ordinaries Index Number"** means the index number of the All Ordinaries (200) Index of ASX;
- * **"Offer"** means the offer of the Shares and Options pursuant to the Prospectus;
- * **"Official Quotation"** means official quotation on the ASX;
- * **"Officer"** means an officer of the Company for the purposes of the Corporations Law;
- * **"Opening Date"** means the date specified in the Prospectus as the date on which the Offer is to open;
- * **"Options"** means the free attaching options to acquire ordinary shares deemed fully paid in the capital of the Company to be offered under the Offer, having an exercise price of 25 cents and expiring on 31 May 2006;
- * **"Outstanding Shares and Options"** means that number of the Underwritten Shares and Options for which the Company shall not have received Applications on or before the Closing Date;
- * **"Prospectus"** means the document inviting applications for the Offer, to be issued by the Company and lodged as a prospectus with the ASIC under the Corporations Law and includes an electronic version of the prospectus and a supplementary prospectus, if applicable;
- * **"Share"** means an ordinary share of the Company deemed fully paid to be offered under the Offer;
- * **"Subscription Moneys"** means that sum payable on lodgement of an Application for the Shares and Options in accordance with the Prospectus and cleared when presented for payment with the appropriate financial institution;
- * **"Underwritten Amount"** means the amount of \$5,000,000 of the amount sought to be raised by the Offer;

- * **“Underwritten Shares and Options”** means the 20,000,000 Shares and 10,000,000 free attaching Options to be offered for subscription by the Company pursuant to the Prospectus;
- * **“Underwriter’s Payment Date”** means up to the date the Underwriter’s liability is discharged under Clause 7.3.

1.2 In this Agreement unless the context indicates otherwise:

- a) clause headings are inserted for convenience of reference only and shall not affect the interpretation of this Agreement;
- b) derivatives of words defined in this Agreement shall have a corresponding meaning;
- c) all warranties, representations, undertakings, indemnities, covenants, guarantees, and obligations given, made or entered into by more than one person are given, made or entered into jointly and severally;
- d) references to a Clause or Schedule shall be construed as references to a Clause or Schedule to this Agreement and references to this Agreement shall include its Schedules;
- e) references to (or any specified provision of) this Agreement or to any other agreement or document shall be construed as references to (or that provision of) this Agreement or that other agreement or document as amended or substituted with the agreement of the relevant parties and in force at any relevant time;
- f) references to any statute, ordinance or other law include all regulations and other instruments thereunder and all consolidations, amendments, re-enactments or replacements thereof;
- g) words importing the singular shall include the plural and vice versa, words importing a gender shall include other genders and references to a person shall be construed as references to an individual, firm, body corporate, association (whether incorporated or not), government and governmental, semi-governmental and local authority or agency;
- h) references to a party to this Agreement include a reference to its successors and permitted assigns;
- i) references to time shall mean Melbourne time; and
- j) a reference to close of business shall mean 5.00pm on the relevant Business Day.

1.3 Where any act matter or thing is required by this Agreement to be given made or done (as the case may be) on a day which is not a Business Day it shall be done on the next day which is a Business Day.

2. AGREEMENT TO UNDERWRITE

- 2.1 The Underwriter agrees to underwrite the Offer only to the extent that it relates to the Underwritten Shares and Options on the terms and conditions set out in this Agreement.
- 2.2 The Underwriter is entitled to appoint such sub-underwriters as it may think fit on such terms and conditions not inconsistent with the terms of this Agreement as it may in its absolute discretion determine.

3. PROSPECTUS

- 3.1 Subject to Clause 3.3, the Prospectus is to be prepared and lodged with the ASIC in accordance with the timetable set out in Schedule 1 or such later date as the Underwriter may agree in writing.
- 3.2 The Company must ensure that the Prospectus complies with the provisions of the Corporations Law and the Listing Rules.
- 3.3 The Company will not lodge the Prospectus with the ASIC without the prior approval of the Underwriter in writing.
- 3.4 In the event that the Prospectus is distributed in electronic rather than, or in addition to, paper form the Company shall take reasonable precautions and exercise due diligence to ensure that:
- a) the electronic version contains the same information (and no more information), in the same sequence with no material difference as the paper form Prospectus lodged with the ASIC;
 - b) the electronic version complies with all requirements of the Corporations Law dealing with prospectuses;
 - c) a complete electronic Prospectus is received by investors; and
 - d) the electronic Prospectus is protected by the Company from alteration or tampering by third parties.
- 3.5 The Company must deliver to the Underwriter at least 2000 copies of the Prospectus printed and bound in accordance with the Underwriter's requirements to be notified to the Company (if any) within ten Business Days of the Prospectus being lodged with the ASIC and in the event the Prospectus is to be distributed electronically, an electronic version of the Prospectus that complies with Clause 3.4.
- 3.6 If the Prospectus is not lodged by the date set out in Schedule 1 or such later date as the Underwriter acting reasonably may agree in writing, this Agreement will be at an end but without prejudice to:
- (a) the rights and remedies of the Underwriter in respect of any breach of this Agreement by the Company occurring before that date; or

- (b) the rights of the Underwriter to be reimbursed for all reasonable expenses incurred pursuant to or in respect of this Agreement, including all reasonable costs and expenses referred to in Clause 18.

4. ASX QUOTATION

The Company will on or before 7 Business Days after lodgement of the Prospectus make application for the Shares and Options to be granted Official Quotation.

5. THE OFFER

5.1 The Company will:

- (a) be responsible for the Offer; and
- (b) ensure that the Offer is made in accordance with and subject to the provisions of the Prospectus, the Listing Rules and the Corporations Law.

5.2 The Offer will remain open until the Closing Date.

6. APPLICATIONS AND ALLOTMENTS OF UNDERWRITTEN SHARES AND OPTIONS

6.1 All applications must be made on the Application Forms forming part of the Prospectus and all applications and allotments of Shares are to be made in accordance with the terms of the Prospectus.

6.2 All Applications for the Shares in the proper form and duly completed and accompanied by payment of the appropriate Subscription Moneys received during the Issue Period or within three Business Days after the Closing Date are, subject to Clauses 6.4 and 6.8, to be allotted to those persons whom the Company determines have made Applications.

6.3 Subject to meeting its obligations under Clause 7.3, the Underwriter has the right to nominate the allottees for the Underwritten Shares and Options and the number of Shares to which each nominated person will be entitled. If the Company fails or refuses to allot or transfer any Underwritten Shares and Options comprised in any Application in the proper form and duly completed and accompanied by payment of the appropriate Subscription Moneys in accordance with the nomination of the Underwriter, those Applications are to go to relief of the liability of the Underwriter under this Agreement. Except for the purpose of determining the liability of the Underwriter under this Agreement the Company will not otherwise be obliged to accept any Application.

- 6.4 If a cheque for Subscription Moneys for the Underwritten Shares and Options received by the Company or the Underwriter is not honoured on presentation:
- (a) the Company will not be bound to allot Shares in respect of that Application;
 - (b) if the applicant was a nominee of the Underwriter, the Company may require the Underwriter either to procure the applicant to pay the Subscription Moneys or at the option of the Underwriter to substitute another Application; and
 - (c) if the Company had elected to allot Shares pursuant to the Application before clearance of the cheque, the Underwriter will not be answerable for the dishonour of the cheque and the allotment will be deemed to be valid for the purpose of determining the Underwriter's obligations under this Agreement.
- 6.5 Within 5 Business Days after the Closing Date the Company will, subject to Clauses 6.3, 6.4 and 6.5, commence allotment of Shares in accordance with the terms of the Prospectus, the Corporations Law and the Listing Rules.
- 6.6 The Company will dispatch statements in accordance with the Listing Rules and ASX Business Rules upon completion of the Offer and will forward to the ASX such details of allotment and other information relating to the Offer as are required by the ASX.
- 6.7 Nothing in this Agreement shall oblige the Company to allot Shares to any person if a breach of law or its Constitution or the Listing Rules may result as a direct or indirect consequence of such allotment or issue.

7. OBLIGATIONS

- 7.1 On or before 4 Business Days after the Closing Date the Company will deliver to the Underwriter a certificate signed by two Directors of the Company (in accordance with a resolution of the Directors of the Company authorising the same) certifying that, to the best of the knowledge, information and belief of the Company:
- (a) no event set out in clause 12.1 has occurred;
 - (b) the Company has complied with all obligations on its part to be performed in respect of the Offer, under this Agreement, the Corporations Law and the Listing Rules; and
 - (c) the Company is not otherwise in breach of any provision of this Agreement.
- 7.2 If the Underwritten Shares and Options are not fully subscribed by 5.00pm on the day 3 Business Days after the Closing Date the Company will, with

the certificate referred to in Clause 7.1, deliver to the Underwriter a notice specifying the number of Outstanding Shares and Options.

- 7.3 Provided that the Underwriter is not entitled to terminate this Agreement under Clause 12.1 or has not terminated the agreement under Clause 12.1, the Underwriter will not later than 5 Business Days after the date of delivery of a notice under Clause 7.2 lodge or cause to be lodged with the Company Applications in accordance with the terms of the Prospectus in relation to all Outstanding Shares and payment of the full Subscription Moneys for those Outstanding Shares.
- 7.4 Any Application lodged pursuant to Clause 7.3 will not be withdrawn before allotment of the Shares (except where a substitution is made under clause 6.5(b)).
- 7.5 The Company will promptly allot Shares in accordance with Applications lodged under Clause 7.3.
- 7.6 The liability of the Underwriter under this Agreement ceases on the date on which:
- (a) the whole of the Underwritten Shares and Options have been fully subscribed and the Underwriter has discharged all of its obligations under Clause 7.3; or
 - (b) the Underwriter has rightfully terminated this Agreement pursuant to Clause 12;

whichever first occurs.

8. UNDERWRITING FEES

- 8.1 On the earlier of:
- (a) the Underwriter's Payment Date; or
 - (b) the date on which the whole of the Underwritten Shares and Options have been fully subscribed and the Underwriter has discharged all of its obligations under Clause 7.3,

the Company must pay to the Underwriter an underwriting commission equal to 5% of the Underwritten Amount and, subject to Clause 18.1, reimbursement of all direct costs and reasonable expenses associated with the underwriting.

- 8.2 The payment made by the Company to the Underwriter under this Clause 8 must be made without set off or counterclaim and without deduction or withholding of any nature whatsoever.

9. ADVERTISING AND PUBLIC ANNOUNCEMENTS

- 9.1 During the Issue Period, and subject to the Corporations Law and the Listing Rules, an appropriate media advertising and publicity campaign in respect of the Offer may be conducted by the Company. The content and other details of the campaign in respect of the Offer will be agreed between the parties and will have a budget to be agreed by the parties. The Underwriter may require that the name of the Underwriter (and any sub-underwriter which the Underwriter may appoint) appear on all documents, materials and publications used in the media advertising and publicity campaign relating to the Offer.
- 9.2 The Company will be fully responsible for:
- (a) the contents of any media advertising or publicity campaign as agreed to, by the Company and the Underwriter; and
 - (b) all announcements and disclosures in respect of the Offer including such announcements and disclosures which have been agreed between the Company and the Underwriter.
- 9.3 The Company indemnifies and will keep indemnified the Underwriter (and any sub-underwriter which the Underwriter may appoint) from and against all liabilities, claims, demands, actions, suits and proceedings arising out of any advertising or publicity campaign and all announcements and disclosures made by the Company in relation to the Offer and against all expenses and legal costs (on a solicitor client basis) thereof or in relation thereto.

10. REPRESENTATIONS AND WARRANTIES BY THE COMPANY

- 10.1 The Company represents and warrants to the Underwriter and it is a condition of this Agreement that:
- (a) at the Opening Date all the information contained in the Prospectus will be true and correct in every material particular and will not be false or misleading or deceptive in any material respect nor contain material omissions;
 - (b) the Company is duly incorporated and validly existing and this Agreement is a valid and binding obligation of the Company enforceable against the Company in accordance with its terms;
 - (c) until the liability of the Underwriter terminates, the Company will not, without the prior written approval of the Underwriter:
 - (i) offer or allot or indicate its intention to offer or allot any shares (except the Underwritten Shares and Options or the balance of the Shares and Options the subject of the Offer) or options to acquire shares;
 - (ii) reduce the number of shares on issue;

- (d) except as disclosed in writing by the Company to the Underwriter prior to the date of this Agreement or the Prospectus the Company is not engaged in or threatened with any legal action or other proceedings and there are no facts or matters known to the Company which are likely to give rise to any litigation;
 - (e) all of the information provided to the Underwriter by the Company, its solicitors, auditors and Officers in relation to the Company and the Offer is true and correct in every material respect and there is no material omission;
 - (f) the Company has fully and faithfully disclosed to the Underwriter all material information and documents relating to the Company and any business which is or is proposed to be carried on by it, of which the Company, or any Officer of the Company, is aware and which might be likely to have affected the decision of the Underwriter to enter into this Agreement;
 - (g) the Company will not do or omit to do anything which is or is likely to be prejudicial in any manner whatsoever to the prospects of the Offer being fully subscribed by persons other than the Underwriter; and
 - (h) the Company will use its best endeavours, but without prejudice to the Underwriter's obligations under this Agreement, to assist the Underwriter to procure applications for the full amount of the Offer from persons other than the Underwriter.
- 10.2 The representations and warranties in this Agreement will not merge on satisfaction of the obligations of the Underwriter under Clause 7.3 and will not be extinguished or affected by an investigation made by or on behalf of the Underwriter into the affairs of the Company.
- 10.3 The Company acknowledges that it has made the representations and warranties to the Underwriter in this Agreement with the intention of inducing the Underwriter to enter into this Agreement and that the Underwriter has entered into this Agreement on the basis of and acting in full reliance on such representations and warranties.
- 10.4 The Underwriter may not make any claim for a breach of a warranty or representation contained in Clause 10 to the extent that the breach has arisen as a result of any act or omission of the Underwriter.

11. COVENANTS

11.1 The Company covenants with the Underwriter that:

- (a) it will comply with the terms and conditions of this Agreement in all respects and immediately give notice to the Underwriter of:

- (i) any breach of this Agreement including the representations, warranties and undertakings contained in this Agreement; and
 - (ii) the occurrence of any event which will or which, with the giving of notice or lapse of time, would give the Underwriter the right to terminate its obligations under this Agreement;
- (b) the Company will not during the Issue Period authorise, permit or allow the amendment of any provision of its constitution without the prior written consent of the Underwriter;
- (c) the Company will not during the Issue Period do, omit to do or cause, authorise, permit or allow to be done any act matter or thing which constitutes a material breach of its constitution;
- (d) except as contemplated by this Agreement or the Prospectus, the Company will not without the prior consent of the Underwriter issue or agree to issue or indicate in any way that it may or will issue shares at any time up to 3 months after the Closing Date, other than placing any shortfall in excess of the Underwritten Shares and Options at the director's discretion as permitted by the Listing Rules;
- (e) the Company will not during the Issue Period dispose of or agree to dispose of the whole or any significant part of any of the business without the prior written consent of the Underwriter;
- (f) the Company will not during the Issue Period charge or agree to charge the whole or any substantial part of the business of any of them without the prior written consent of the Underwriter except as contemplated by this Prospectus;
- (g) the Company will not during the Issue Period, without the prior written consent of the Underwriter, acquire any asset or enter into any other expenditure or borrowing other than in accordance with the proposals set out in the Prospectus;
- (h) subject to funds raised by the Offer there will be no variation in the level of shareholders' funds (including reserves) of the Company during the Issue Period;
- (i) the Company will not during the Issue Period, knowingly do, commit or acquiesce in any activity which may breach any law in force in Australia or the Listing Rules;
- (j) the Company will keep the Underwriter informed of all material negotiations, discussions and decisions in relation to any major investments by it during the Issue Period;
- (k) the Prospectus as lodged with the ASIC must be in the form which is annexed to this Agreement, with any amendments agreed between the Underwriter and the Company.

11.2 The consent of the Underwriter referred to in paragraph (b), (d), (e), (f) and (g) of Clause 11.1 will not be unreasonably withheld.

12. RELIEF OF UNDERWRITER'S OBLIGATIONS

12.1 If any one or more of the following events occurs after the date of this Agreement and subject to clause 12.2 hereof and before the Underwriter's Payment Date the Underwriter may by written notice to the Company and without cost or liability to the Underwriter terminate or cancel this Agreement immediately and be relieved of all its obligations under this Agreement:

- (a) the Ordinaries Index Number is at any time more than 8.0% below its level as at the close of business on the Business Day at the date of this Agreement;
- (b) a new circumstance has arisen since the Prospectus was lodged that would in the reasonable opinion of the Underwriter have been required by sections 710 or 711 of the Corporations Law to be included in the Prospectus if it had arisen before the Prospectus was lodged;
- (c) the Company makes default under or is in breach of any of its material obligations under this Agreement and following consultation between the Company and the Underwriter, that failure is not remedied within 5 Business Days afterwards;
- (d) any warranty or representation by the Company in this Agreement ceases to be true in any material respect and, following consultation between the Company and the Underwriter, the matters rendering the warranty untrue are not remedied within 5 Business Days afterwards;
- (e) any material adverse change occurs in the financial position of the Company;
- (f) any director or Officer of the Company named in the Prospectus dies or is charged with or convicted of an indictable offence;
- (g) any material statement in the Prospectus is found to be or becomes misleading or deceptive or there is found to be a material omission from the Prospectus of material required by sections 710 or 711 of the Corporations Law;
- (h) the adoption or announcement by or on the authority of the government of the Commonwealth of Australia of:
 - (i) any future change in fiscal or monetary or taxation policy which would materially and adversely affect companies generally or the Company in particular or investment in stocks and shares in Australia including but not limited to

any change which is likely to materially and adversely affect interest rates not already announced or anticipated as at the date of this Agreement; or

- (ii) any law or prospective law or other measure having the effect of restraining capital issues, corporate profits or foreign investment,

and which, in either case, would materially and adversely affect the Offer;

- (i) any person who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (j) any information supplied at any time by the Company (or any person on its behalf) to the Underwriter in respect of any aspect of the Offer is or becomes false or misleading;
- (k) any of the results of investigations of the Company or of any subsidiary conducted pursuant to the Company's due diligence program and verification material is or becomes false or misleading;
- (l) any material contravention by the Company or an Officer of any of them of any provision of the Corporations Law, or the Listing Rules or any requirement of ASX or the ASIC or any governmental agency;
- (m) a resolution is passed or an order made by a Court of competent jurisdiction for the winding up of the Company, other than an order for the purpose of reconstruction or amalgamation made with the prior consent of the Underwriter;
- (n) a receiver or receiver and manager is appointed to all or any part of the assets or undertaking of the Company;
- (o) the Company enters into any scheme of arrangement with its creditors or any class of them or indicates its intentions to do so;
- (p) the Company suspends payments of its debts or is unable to pay its debts within the meaning of the Corporations Law;
- (q) the Company is placed under official management or an official manager is appointed;
- (r) a provisional liquidator is appointed to the Company;
- (s) an inspector is appointed pursuant to the Corporations Law to investigate all or any part of the affairs of the Company;
- (t) the Company fails to furnish a certificate in accordance with the requirements of Clause 7.1; or

- (u) there is an outbreak of hostilities (whether or not war has been declared) not presently existing or a major escalation in existing hostilities occurs involving any one or more of the Commonwealth of Australia, the United Kingdom, the United States of America, former Republic of the USSR, European Union, the Peoples Republic of China, Taiwan, Japan or Indonesia.
- 12.2 The occurrence of any event listed in Clause 12.1 will not entitle the Underwriter to terminate this Agreement unless, in the opinion of the Underwriter reached in good faith and acting reasonably, the event has or could have a materially adverse effect on the success of the Offer.
- 12.3 Failure by the Underwriter to terminate this Agreement in accordance with Clause 12.1 as a result of the occurrence of any one or more of the events referred to shall not preclude the Underwriter from exercising its right under that Clause in respect to any subsequent occurrence whether of the same or a different event.
- 12.4 Upon exercise of its rights to terminate this Agreement under Clause 12.1, the Underwriter shall notify ASX immediately.

13 INDEMNITY

- 13.1 The Company accepts full responsibility for, and assumes all liability in relation to the Offer and the form of content of the Prospectus and any advertising and publicity, and for all claims and proceedings which may arise out of or in connection with any of the Offer, the Prospectus and the issue, distribution, circulation or publication of the Prospectus, and supplementary Prospectus and any announcement, advertisement or publicity approved by the Company and made or published by, or on behalf of, the Company in relation to the Offer.
- 13.2 To the maximum extent permitted by law, the Company indemnifies and undertakes to keep indemnified each of the Indemnified Parties from and against all loss or damage, prosecutions, penalties, actions, suits, claims, demands and proceedings, whether civil or criminal, and all liabilities whatever the costs and expenses incidental thereto in respect of or in connection with or arising out of, whether directly or indirectly, any one or more of the following:
- (a) any breach of this Agreement by the Company;
 - (b) any statement, misstatement, representation, non-disclosure or inaccuracy or misleading or deceptive material in the Prospectus or in the due diligence results or verification material or in any statement or advertising or publicity made or issued by or with the authority, approval or acquiescence of the Company or any of its Officers in respect of the Prospectus, the Offer, or any transaction referred to in or contemplated by the Prospectus;
 - (c) the failure of the Company to rectify any material omission from the Prospectus or any statement in the Prospectus or any such statement or advertising or publicity matter, which is, or becomes, misleading or likely to mislead;
 - (d) the failure of the Company to lodge and have registered a supplementary prospectus in any circumstances where that becomes necessary in terms of the Corporations Law;
 - (e) any statement made or issued by an Indemnified Party to the extent that the same is made or issued in good faith and in reliance on the Prospectus or on any material or information provided by, or on behalf of, the Company (including, without limitation, the verification material);
 - (f) the issue, distribution, circulation or publication by any of the Indemnified Parties of the Prospectus;
 - (g) the name of the Underwriter appearing in the Prospectus;

- (h) any investigation or inquiry by the ASIC or ASX in relation to the Company, the Prospectus, or the Offer; and
- (i) any claim that an Indemnified Party has any liability under the law (including, without limitation, Part 7.11 of the Corporations Law) or otherwise in relation to the Prospectus, or the Offer.

13.3 The indemnity under this Clause 13 does not apply to:

- (a) the extent any claim, loss, liability, cost and expense or any prosecution, penalty, fine or proceeding arises out of any act or omission for which the Underwriter or any Indemnified Party is responsible or to the result of any fraud, recklessness, wilful misconduct or gross negligence of the Underwriter or any Indemnified Party;
- (b) any penalty or fine which the Underwriter or any Indemnified Party is required to pay for any contravention by it of the Corporations Law; or
- (c) any claim or proceeding (whether civil or criminal) based on any statement that is misleading or deceptive in, or any omission of material required under sections 710 and 711 of the Corporations Law from, the Prospectus if before the issue of the Prospectus the Underwriter or any Indemnified Party was aware of the information which was misleading or deceptive or omitted or that information was disclosed to the Underwriter or any Indemnified Party during the Issue Period.

13.4 The indemnity hereby granted extends for the benefit of the Indemnified Parties.

14. SURVIVAL OF REMEDIES

Any termination or cancellation of this Agreement under Clause 12 will not prejudice or nullify any remedy, cause of action or claim for damages which the Underwriter may have arising out of any other breach by the Company of the terms of this Agreement.

15. STRIKES, LOCKOUTS ETC

Should a strike, lockout, industrial disturbance or any other event result in a breakdown in postal, telegraph, telephone, internet or cable communications affecting the normal conduct of business occur at any time between the date of this Agreement and the Closing Date and lasting for a period of not less than three Business Days the time for performance by either party of its and their obligations is to be extended by one Business Day for each one Business Day that such breakdown continues.

16. INFORMATION OF UNDERWRITER

- 16.1 The Underwriter will at all times be entitled by itself or through its solicitors or auditors to make such examination and enquiries of and concerning the business, assets, liabilities, books and accounts of the Company as the Underwriter may require for the purpose of the Offer and the Company will promptly furnish any information requested. Any such information which is not public knowledge is to be kept confidential by the Underwriter. All documents, books and other material obtained by the Underwriter under this Clause must be returned to the Company as soon as practicable.
- 16.2 The Underwriter will promptly furnish to the Company any information requested by the Company relevant to the Offer and the proposed Official Quotation of the Shares which may arise out of any communications by the Underwriter with ASX.

17. NOTICES

- 17.1 All notices, notifications, consents, demands, elections, agreements and other documents and communications required or permitted to be given under this Agreement must:
- (a) be in writing;
 - (b) be addressed to the party to whom it is to be given at the address of that party set forth in Clause 17.2 or at such other address as the party may have substituted therefor by notice to the other parties;
 - (c) be delivered personally or sent by facsimile or by ordinary mail postage prepaid;
 - (d) be deemed to be served:
 - (i) in the case of personal delivery, on delivery;
 - (ii) in the case of ordinary mail, on the third Business Day following the day of posting; and
 - (iii) in the case of facsimile on completion of the facsimile transmission error free,

provided that a facsimile or personal delivery received after business hours in the place of delivery shall be deemed to be served on the next following Business Day.

17.2 The address and the facsimile number of each party, until another address or number is substituted in accordance with Clause 17.1 is as follows:

(a) in the case of the Underwriter:

Melbourne Capital Limited
Level 14, 31 Queen Street
Melbourne Victoria 3000
Attention: Mr Michael Chester
Fax: (03) 9620 2804

(b) in the case of the Company;

Transol Corporation Limited
Level 11, 300 Flinders Street
Melbourne Victoria 3000
Attention: The Managing Director, Mr Robert Ciolli
Fax (03) 92481091

17.3 Each of the parties to this Agreement is entitled to rely on any communication or document believed by it to be genuine, correct and duly authorised, and to have been communicated or signed by the person by or on behalf of whom it purports to be communicated or signed and will not be liable to any other person for any of the consequences of any such reliance.

18. COSTS AND EXPENSES

18.1 The Company must bear and pay all reasonable costs, charges and expenses of and incidental to the Offer and the distribution of the Prospectus which are incurred after the consent of the Company has been obtained to such costs, charges and expenses, including:

- (a) the costs and expenses of the Underwriter and its professional advisers incurred in connection with the negotiation, preparation and execution of this Agreement with all legal costs being calculated on a solicitor and own client basis;
- (b) all charges and costs of printing, postage, advertising, marketing and publicity generally;
- (c) all reasonable out of pocket expenses of the Underwriter incurred in relation to the Offer; and
- (d) travel and accommodation expenses incurred by the Underwriter.

18.2 If this Agreement is cancelled or becomes ineffective or the Underwriter is released from its obligations hereunder for any reason whatsoever, the

Company must pay such of the said costs, charges, expenses and fees as have then been incurred or for which liability exists at the date of such cancellation or ineffectiveness or release but is not obliged to pay any underwriting fees under Clause 8.

- 18.3 The Company will pay to the Underwriter the amount of all such costs and expenses within 7 days of demand, upon presentation of appropriate documentation.
- 18.4 All payments made by the Company to the Underwriter under this Clause 18 must be made without set-off or counterclaim and without deduction or withholding of any nature whatsoever.
- 18.5 All stamp duty (including fines and penalties) which may be levied or assessed in respect of this Agreement will be borne by the Company.
- 18.6 Any goods and services tax which may be levied or assessed in respect of any payment to be made by the Company under this Agreement will be borne by the Company.

19. FORBEARANCE

No forbearance or other indulgences granted by either party to the other will in any way discharge or relieve any party from any of its obligation hereunder.

20. TIME

Time is in all respects the essence of this Agreement.

21. GOVERNING LAW

This Agreement is to be construed and governed in accordance with the law of Victoria and the parties submit to the jurisdiction of the Courts of the said State including any Courts having appellate jurisdiction therefrom.

22. MERGER

The representations and warranties by the Company in Clause 10 will not merge on completion of this Agreement. The Company will remain liable for any breach of warranty notwithstanding compliance by the Underwriter with its obligations pursuant to Clause 7.3 and payment by the Company of the fees under Clause 8.

23. SEVERABILITY

In the event that any provision of this Agreement or its application to any person or circumstances is or is found to be invalid or unenforceable then the invalidity or unenforceability of such provision will not affect the validity or enforceability of the other provisions of this Agreement or the application of

such provisions to any person or circumstances and the said other provisions will remain in full force and effect.

24. SUCCESSORS AND ASSIGNS

The obligations imposed and the benefits conferred on the parties under this Agreement are binding upon and ensure to the parties and each of their respective successors, transferees and permitted assigns provided that those obligations and benefits are not to be sold, assigned, transferred or otherwise dealt with or disposed of by either of the parties without the prior written consent and approval of the other party.

25. AMENDMENTS OR MODIFICATIONS

No amendments to or modification of any of the provisions of this Agreement will bind either party unless and until the same has been made in writing and duly executed by both of the parties.

26. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties relating to the subject matter and supersedes all prior agreements and arrangements.

27. COUNTERPARTS

This Agreement may be executed in as many counterparts as may be necessary or convenient and all such counterparts taken together constitute one and the same instrument.

SCHEDULE 1

TIMETABLE

Date for Lodgement of Prospectus	13 November 2003
Date Offer Opens	20 November 2003
Date Offer Closes	3 December 2003
Expected Date of Quotation of Shares	17 December 2003

MELBOURNE CAPITAL LIMITED

A.B.N. 30 055 638 438

Signed in accordance with its Constitution
in the presence of:

.....
Signature of authorised person

.....
Office held

.....
Name of Authorised person
(block letters)

...../...../.....
Date

TRANSOL CORPORATION LIMITED

A.B.N. 73 089 224 402

Signed in accordance with its Constitution
in the presence of:

.....
Signature of authorised person

.....
Signature of authorised person

.....
Office held

.....
Office held

.....
Name of Authorised person
(block letters)

.....
Name of Authorised person
(block letters)

...../...../.....
Date

...../...../.....
Date