

TRANSOL CORPORATION LIMITED

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To:
The ASX Company Announcements Platform
ASX Sydney

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<p>QUARTERLY REPORT FOR THE 3 MONTH PERIOD ENDING 31 DECEMBER 2003</p>

Transol successfully raises \$6 million

Transol is readmitted to the ASX

Transol is awarded new contracts in the USA and Australia

Transol successfully raises \$6 million

On 13 November 2003, Transol lodged a Prospectus with the ASIC and ASX for an offer of up to 24 million ordinary fully paid shares at an issue price of \$0.25 per share to raised \$6 million, with a 1 for 2 free attaching options exercisable at \$0.25 by 31 May 2006. The Prospectus was underwritten by Melbourne Capital Limited to \$5 million being the minimum subscription.

The purpose of the offer was to enable Transol to:

- Fund its research & development activities;
- Fund the pursuit of additional contracts in the USA and Australia;
- Fund capital works for the installation of traffic camera technology in the USA and Australia; and
- Provide working capital to meet ongoing operating costs including the costs of the offer.

The Prospectus offer was closed on 10th December 2003 fully subscribed.

Transol is readmitted to the ASX

After making an application to the ASX, the securities of Transol were reinstated to official quotation from the commencement of trading on Wednesday 24 December 2003, following completion of the acquisition of Transol Corporation Pty Ltd and compliance with listing rule 11.1 and chapters 1 and 2 of the listing rules.

Following the issue of shares and options from the Prospectus offer, Transol has 73,638,515 ordinary fully paid shares and 12,000,000 quoted options on issue.

Transol's securities successfully entered the market with the ordinary shares opening at \$0.25 (the Prospectus issue price), with the options trading up to \$0.10 on the first day of trading.

Transol is awarded new contracts in the USA

Transol is a specialist developer, integrator and operator of advanced traffic safety systems with operations in Australia and the USA. Transol USA, Inc. has achieved photo enforcement contracts for a total of five US cities in the states of Colorado and California to December 2003, with a sixth contract being awarded in January 2004 in Iowa.

Transol will supply operate and maintain its RI-RLC™ 'residual imaging' cameras and provide traffic camera office processing systems to generate traffic citations on behalf of all cities.

In December 2003, Transol announced that it had been successfully awarded three new contracts to supply red-light camera systems to cities in California, USA. These new awards – to Santa Fe Springs in the Los Angeles area, to the well known university city of Berkeley near San Francisco, and to Roseville in the Sacramento area – consolidate Transol's presence in the USA market.

All new contracts are for five-year terms and taken together, these three cities require the operation of red light camera systems at a total of 20 intersection approaches in the initial phase of their programs.

Previously, Transol had been awarded contracts in Northglenn, Colorado (which became operational in July 2003), and Whittier, California (which is due to become operational in February 2004).

The company has scheduled to complete systems installation for its Santa Fe Springs Berkeley and Roseville programs to be completed by April-May 2004. They are expected to provide valuable reference sites for ongoing sales activity into the San Francisco and Sacramento areas.

In January 2004, Transol was awarded a contract in the city of Davenport, Iowa.

The award and execution of these latest contracts takes the company to 31 approaches.

The company has lodged tenders to supply install and operate the Internet based digital re-light camera technology in a number of other cities and counties in the USA. The company will continue to announce when new contracts have been awarded in the future.

Transol is awarded new contracts in Australia

In December 2003, Transol was awarded a supply and maintenance contract for red light camera equipment by the West Australia Police Service.

Transol will supply its latest RI-RLC™ 'residual imaging' cameras that completely avoid in-ground detection sensors and white 'flash' illumination. The cameras record a series of images for each traffic offence so that its full context is available.

The W.A. Police contract is for an initial term of two (2) years, with the option of three (3) further one (1) year extensions at the discretion the W.A. Police.

Alleged patent infringement from Nestor Inc. (USA)

In November 2003, Transol received notice from a US-based competitor, Nestor Inc., alleging patent infringement by Transol. Subsequently, Nestor filed an application for a preliminary injunction against Transol USA Inc., a fully owned subsidiary of Transol. Nestor Inc. is a US-based supplier of traffic camera products and services. During the process of lodging patent applications for its technologies earlier in 2001, Transol had obtained advice from its patent attorneys, Griffith Hack, relating to the specific Nestor patent, to the effect that Transol's technologies did not infringe the Nestor patent. Following receipt of the notice from Nestor Inc, Transol sought further advice from Griffith Hack and an independent opinion from its US patent attorneys who confirmed Griffith Hacks's opinions that Transol's technologies did not infringe the Nestor patent.

The Company vigorously defended its position on this matter and on 23rd January 2004 announced that it had received advice from the USA courts that the application for preliminary injunction by Nestor had been denied.


Appointment of Directors

On 8th October 2003, Mr. Martin Ralston and Mr. Nick Palmer were appointed non-executive directors of Transol. Mr. Ralston was appointed to the position of non-executive Chairman.

Annual General Meeting

The company's Annual General Meeting of shareholders was held on 18th November 2003. All resolutions put to shareholders were passed.

Yours sincerely,



Andrew Metcalfe
Company Secretary