



ANNOUNCEMENT TO THE MARKET

RE: MEZZANINE CAPITAL RAISING

On 22nd October 2008, the Company reported to the market that it was progressing a capital raising which inter alia would enable the settlement of the Marshmallow business assets buyback by 14th November 2008.

Following the recent receipt of draft loan and other documents from the lender (for the \$US4 million loan capital raising) and favourable response from the vendor of the Marshmallow assets, the directors advise that the Company has a reasonable expectation of settling the loan and buyback within the next 14 days.

END OF ANNOUNCEMENT

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