

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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.

Name of entity

Sun Capital Group Limited

ABN

60 006 569 124

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 | Fully Paid Ordinary Shares

Options to Acquire Fully Paid Ordinary Shares
Refer Appendix A for terms and conditions of Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 21,430,213 Fully Paid Ordinary Shares

29,328,989 Options |
| 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) | Refer Appendix A for terms and conditions of Options |

+ 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	Fully Paid Ordinary Shares - Yes Refer Appendix A for terms and conditions of Options						
5 Issue price or consideration	Fully Paid Ordinary Shares - \$0.055 each Options - \$Nil						
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	This issue of securities is a combination of the second allotment in relation to the Sophisticated Investor Placement currently being undertaken and the allotment of securities pursuant to the Shareholder Share Purchase Plan. Funds used for the financing of the AB Tech joint venture in the USA and for general working capital purposes.						
7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates	21 December 2005						
8 Number and ⁺class of all ⁺securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th><th>⁺Class</th></tr> </thead> <tbody> <tr> <td>163,761,961</td><td>Ordinary</td></tr> <tr> <td>29,328,989</td><td>Options to Acquire Ordinary Shares at \$0.07 on or before 31 December 2008.</td></tr> </tbody> </table>	Number	⁺ Class	163,761,961	Ordinary	29,328,989	Options to Acquire Ordinary Shares at \$0.07 on or before 31 December 2008.
Number	⁺ Class						
163,761,961	Ordinary						
29,328,989	Options to Acquire Ordinary Shares at \$0.07 on or before 31 December 2008.						

⁺ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	
	29,150,000	Fully Paid Ordinary Shares
	8,250,000	Class B Performance Shares
	3,000,000	Series 1 Options, Exercise Price \$0.06.
	6,650,000	Series 2 Options, Exercise Price \$0.10.
	6,650,000	Series 3 Options, Exercise Price \$0.15
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?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A

+ 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.

N/A

- 19 Closing date for receipt of acceptances or renunciations

N/A

⁺ See chapter 19 for defined terms.

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
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	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/a

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Appendix 3B

New issue announcement

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|----|---|-----|
| 32 | How do ⁺ security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | ⁺ Despatch date | N/A |

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) ☒ 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 – **Please refer to attached announcement**
- 36 ☒ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories **Please refer to attached announcement**
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ N/A 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 <i>Example: In the case of restricted securities, end of restriction period</i> (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.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided 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.

+ See chapter 19 for defined terms.

- 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:Emmanuel Correia.....Date: 21 December 2005.....
(Company secretary)

Print name: Emmanuel Correia

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+ See chapter 19 for defined terms.

Appendix A – Terms and Conditions of Options

Each Option will entitle the holder to subscribe for a Share in the Company on the following material terms:

- (a) The Options shall expire at 5.00pm EST on the 31 December 2008. (**Option Expiry Date**).
- (b) The Options shall be exercisable at a price of \$0.07 each payable in cash.
- (c) An Option does not confer the right to a change in the exercise price or a change in the number of underlying securities over which the Option can be exercised.
- (d) The Options shall only be exercisable wholly or in part by executing and forwarding to the Company an Option Exercise Form.
- (e) There are no participating rights, or entitlements inherent in the Options to participate in any new issue or bonus issue of securities which may be offered to members of the Company from time to time prior to the Option Expiry Date.
- (f) Option holders have the right to exercise their Options prior to the date of entitlements to any capital issue to the then existing shareholders of the Company made during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, holders of Options will be notified by the Company in accordance with the requirements of the ASX Listing Rules.
- (g) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the Options will be re-organised in accordance with the Listing Rules applicable at the time of the re-organisation.
- (h) Application of official quotation of the Options will be made by the Company in the event that the Company meets the quotation criteria as set out in the ASX Listing Rules. In addition, application for official quotation of the shares allotted and issued pursuant to the exercise of the Options will be made by the Company within three (3) business days after the date of allotment of such shares.
- (i) Shares allotted and issued pursuant to the exercise of the Options will be allotted and issued no more than 15 days after the receipt of a properly executed exercise notice and receipt of the application moneys.
- (i) A statement will be issued for the Options. Attached to the statement there will be a form that must be executed and forwarded to the Company when exercising the Options.

+ See chapter 19 for defined terms.