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24 May 2006

Dear Optionholder

The Company's records indicate that you are the holder of options to subscribe for fully paid ordinary shares in the Company. These options expire on 30 June 2006. In accordance with the ASX listing rules, the following information is provided in respect of the expiry of these options:

1. The number of options held by you is shown at the top of this letter. You will receive one fully paid ordinary share for every one option that you chose to exercise. **The exercise of the options is entirely at your discretion - you are under no obligation to exercise your options.**

2. The exercise price of your options is $0.10 each. At the date of this notice, the market price of the Company's shares is considerably less than the exercise price of the option.

3. The due date for the payment is 5 pm (Perth time), 30 June 2006.

4. If you choose not to exercise your options by the due date, the options will lapse and you will lose all your rights as an optionholder.

5. The last day for quotation (trading on the ASX) of the options is Friday, 23 June 2006.

6. The latest available market sale price of the Company's shares quoted on the ASX on 23 May 2006 was 4.2 cents. In the three months prior to the date of issue of this notice, the highest market price was 5.7 cents (on 14 March 2006) and the lowest market price was 3.9 cents (on 17 May 2006).

If you decide to exercise your options, you should complete the option exercise form previously provided to you and send that together with your exercise monies to the Company's share registry:

Advanced Share Registry Services 110 Stirling Highway NEDLANDS WA 6009	**OR**	Advanced Share Registry Services PO Box 1156 NEDLANDS WA 6909

Telephone: (61 8) 9389 8033; Facsimile: (61 8) 9389 7871

The Company encourages you to seek your own independent professional advice in deciding whether or not to exercise your options.

Yours faithfully

John Burness
Company Secretary