

ASX ANNOUNCEMENT

Friday 29 October, 2004

SO NATURAL COMPLETES CAPITAL RAISING TO SUPPORT THORPEDO FOODS INITIATIVES

So Natural Foods Australia Limited ("So Natural") is pleased to advise at its Annual General Meeting held 27 October 2004 that shareholders voted to complete the issue of convertible notes. The company has now issued 5,833,333 convertible notes at a \$0.60 face value and a coupon rate of 9.5% per annum. This brings to a total of \$5 million raised through the issue in total of 8,333,333 unlisted convertible notes.

The issue was managed by Bell Potter Securities Limited and attracted strong institutional support.

The proceeds of the Placement will provide funding for the expansion of Thorpedo Foods Pty Limited ("Thorpedo"), the newly established joint venture company with Mr Ian Thorpe. The initial focus of Thorpedo is the Australian launch of "Thorpedo Advanced Hydration Water" and developing new products and markets in Japan and China.

Michael Jenkins
Company Secretary

About So Natural Foods Australia Limited

So Natural has a strategy to develop a leading position in functional foods in Australia and key international markets through a focus on brand development, product innovation and sales and distribution. The company presently has 4 business streams comprising soy and rice beverages, seafood, functional cereals and snacks and an investment in Thorpedo Foods Pty Ltd. The company is intent on building scale both through organic growth and acquisitions.