

Wednesday, 2 August 2006

MARKET ANNOUNCEMENT

Unmarketable Parcel Sale Facility

We enclose Unmarketable Parcel Sale Facility correspondence despatched to relevant shareholders holding an unmarketable parcel of shares in the Company.

Under the ASX business rules, an unmarketable parcel is considered to be a shareholding valued at \$500 or less.

This facility will benefit the Company in terms of savings in maintenance costs in relation to share registry fees, annual report and other mail-out printing costs, and associated postage. Furthermore, for some unmarketable parcel shareholders, the costs of selling their unmarketable parcel of shares may result in a proportionally high transaction cost compared to the gross proceeds of sale. This initiative allows for the full gross sale proceeds to be realised to shareholders of such unmarketable parcels.

Unmarketable parcel shareholders have until 15 September 2006 to lodge a Share Retention Notice to retain their shareholding in the Company.

Unmarketable parcel shareholders who wish to dispose of their shareholding under this facility do not have to take any action – the Company will aggregate the holdings of such shareholders after 15 September 2006 and sales of aggregated unmarketable parcel shares will occur on ASX as soon as practicable thereafter, having regard to liquidity in OEQ shares and as market conditions dictate.

Further information:

William Johnson
Chairman

T | (08) 9214 9797
E | wjohnson@orionequities.com.au

Victor Ho
Company Secretary

T | (08) 9214 9797
E | vho@orionequities.com.au

www.orionequities.com.au

ASX Code: OEQ

ORION EQUITIES LIMITED

A.B.N. 77 000 742 843



Level 14, 221 St Georges Terrace, Perth WA 6000
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2 August 2006

Dear Shareholder

UNMARKETABLE PARCEL SALE FACILITY

Orion Equities Limited ("OEQ") has a large number of shareholders on its register that hold less than A\$500 worth of shares (an "Unmarketable Parcel"). These Unmarketable Parcels represent significant registry costs for your company (in relation to share registry fees, annual report and other mail-out printing costs, and associated postage). Furthermore, for shareholders, the costs of selling their Unmarketable Parcel of shares may result in a proportionally high transaction cost compared to the gross proceeds of sale. In order to efficiently manage these costs OEQ is entitled, under clause 152 of its Constitution and Australian Stock Exchange Listing Rule 15.13, to sell the Unmarketable Parcels of those shareholders who do not respond to this letter (referred to as the "Unmarketable Parcel Sale Facility").

Our records indicate that you held an Unmarketable Parcel as at 31 July 2006. I am writing to advise you that, unless you respond to this letter, OEQ intends to sell your Unmarketable Parcel and deliver to you the proceeds of the sale of that Unmarketable Parcel. All costs relating to the sale of your Unmarketable Parcel, including brokerage, are payable by OEQ.

If you do not want your Unmarketable Parcel to be sold, you must return a 'Share Retention Notice' as instructed below.

Pursuant to clause 152 of OEQ's Constitution you must therefore choose **ONE** of the following two options:

RETAIN your Unmarketable Parcel	Complete and return the SHARE RETENTION NOTICE <i>If you wish to retain your Unmarketable Parcel, you must complete the enclosed 'Share Retention Notice' and return it to the OEQ registry so that it is received by no later than 5:00pm (Perth time) on 15 September 2006.</i> <i>Your Unmarketable Parcel will be sold if you do not return the Share Retention Notice.</i>
DISPOSE of your Unmarketable Parcel	Do nothing <i>If you wish OEQ to sell your shares on your behalf, do nothing.</i> <i>If OEQ has not received a response from you by 5pm (Perth time) on 15 September 2006, the Board of OEQ may resolve (pursuant to clause 152 of the Constitution) to sell your shares and appoint a stockbroker to sell your Unmarketable Parcel at a price not less than the Minimum Sale Price¹.</i>

Please take time to read the **enclosed** 'Unmarketable Parcel Sale Facility - Terms and Conditions' and seek your own investment or taxation advice if needed. Any taxation consequences arising from the sale of your Unmarketable Parcel under the Unmarketable Parcel Sale Facility will be your responsibility.

The Board will sell your Unmarketable Parcel by way of an on-market sale through a broker(s) nominated by the Board. The Company may also concurrently undertake an on market buy-back of up to 20% of its voting shares between AGM's through a different broker(s) nominated by the Board. Shareholders approved this up to 20% buy-back procedure at the 2005 AGM.

Please note that the Unmarketable Parcel Sale Facility does not affect your ability to buy or sell OEQ shares on ASX (subject only to the 'Terms and Conditions of the Unmarketable Parcel Sale Facility').

If you have any questions regarding the operation of the Unmarketable Parcel Sale Facility, please contact the Company Secretary by telephone on (08) 9214 9797 or by email on who@orionequities.com.au.

On behalf of the Board, I encourage you to consider the opportunity provided under the Unmarketable Parcel Sale Facility.

Yours Sincerely,



Victor Ho
Company Secretary

¹ **Minimum Sale Price** means the weighted average sale price of OEQ shares sold on ASX during a period of 5 consecutive trading days immediately preceding the date of this notice, rounded off to the nearest half cent or, if there are no sales of OEQ shares on ASX during that period the sale price which in the opinion of the directors is a fair and reasonable sale price for OEQ shares immediately prior to the date of this notice.

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(formerly Central Exchange Limited)

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Unmarketable Parcel Sale Facility - Terms and Conditions

These terms and conditions and the accompanying Share Retention Notice set out the terms and conditions of the Unmarketable Parcel Sale Facility.

1. WHAT IS THE UNMARKETABLE PARCEL SALE FACILITY?

The Unmarketable Parcel Sale Facility allows OEQ to sell shares on behalf of shareholders who hold less than a marketable parcel (that is, less than A\$500 worth of OEQ ordinary shares) on a particular date. An unmarketable parcel sale facility is often implemented by listed companies in response to the disproportionately high registry and administrative costs incurred by those companies from maintaining unmarketable parcels on their shareholder registers.

2. DOES OEQ HAVE THE RIGHT TO SELL MY OEQ SHARES?

Yes. OEQ is entitled, under clause 152 of its Constitution and Australian Stock Exchange Listing Rule 15.13, to sell the Unmarketable Parcels unless those shareholders notify OEQ in writing that they wish to retain their shares. Proceeds from the sale must be remitted to those shareholders whose Unmarketable Parcels have been sold.

3. YOUR CHESS SPONSORED HOLDING WILL BE CONVERTED TO ISSUER SPONSORED HOLDING

If your Unmarketable Parcel is sponsored by a broker or non-broker participant in CHESS, and your shares are to be sold under this Unmarketable Parcel Sale Facility, the Company will convert your shareholding to the Issuer Sponsored subregister in order to effect the sale of your Unmarketable Parcel. Your broker or non-broker participant will be advised of the conversion.

3. WHAT IF I DON'T WANT MY OEQ SHARES TO BE SOLD?

If you wish to retain your OEQ shares, you MUST complete the Share Retention Notice and return it so that it is received by OEQ's registry: -

Advanced Share Registry Services
PO Box 1156
Nedlands Western Australia 6909

no later than 5:00pm (Perth time) on 15 September 2006. If you do so, your shares will not be sold.

4. WHAT ARE THE COSTS OF HAVING MY OEQ SHARES SOLD ON MY BEHALF?

There are no brokerage or other transaction costs payable by shareholders whose Unmarketable Parcels are sold under the Unmarketable Parcel Sale Facility. These costs will be paid by OEQ. Taxation consequences arising from the sale of your shares under the Unmarketable Parcel Sale Facility will be your responsibility.

5. WHEN WILL MY OEQ SHARES BE SOLD?

Sales of shares will occur on ASX and are expected to occur as soon as practicable after 15 September 2006 having regard to liquidity in OEQ shares and as market conditions dictate ("**Sale Period**").

6. WHAT PRICE WILL I RECEIVE FOR SHARES SOLD UNDER THE UNMARKETABLE PARCEL SALE FACILITY?

For each share sold, you will receive an amount equal to the total proceeds from all shares sold under the Unmarketable Parcel Sale Facility, divided by the total number of shares sold under the Unmarketable Parcel Sale Facility.

7. WHEN WILL THE PROCEEDS FROM THE SALE OF SHARES BE SENT TO ME?

As soon as practicable after the Sale Period, OEQ will mail a cheque for your proceeds.

8. WHERE CAN I OBTAIN FURTHER INFORMATION IN RELATION TO THE UNMARKETABLE PARCEL SALE FACILITY?

If you have any questions about the Unmarketable Parcel Sale Facility, please contact the Company Secretary below.

Under this Unmarketable Parcel Sale Facility, each holder of an Unmarketable Parcel ("**Minority Member**"):

- (a) appoints the Company as the Minority Member's agent to sell, as soon as practicable after the expiry of the 6 week period after the notice date, all of the Minority Member's relevant shares at a price or for a consideration which in the opinion of the directors, has a value not less than the Minimum Sale Price and to receive the sale consideration on behalf of the Minority Member; and
- (b) appoints the Company and each of its directors jointly and severally as the Minority Member's attorneys in that member's name and on that member's behalf to effect all transfer documents, deeds or other documents or instruments necessary to transfer the relevant shares from the Minority Member to the purchaser.

None of OEQ or Advanced Share Registry Services, or any of their respective officers, employees or agents, is or is to be taken to be, giving any securities recommendation or investment advice in relation to the Unmarketable Parcel Sale Facility, nor do any of them have any obligation to do so. You should consider seeking your own independent advice in relation to the Unmarketable Parcel Sale Facility.

For further information contact:

Victor Ho
Company Secretary
Telephone: (08) 9214 9797
Email: vho@orionequities.com.au



SHARE RETENTION NOTICE

You are required to complete and return this Share Retention Notice ("Notice") to Orion Equities Limited's registry by 5pm (Perth time) on 15 September 2006 if you wish to retain your unmarketable parcel of Orion Equities Limited shares.

In accordance with clause 152 of the Constitution of Orion Equities Limited, I give notice that I wish to retain my shareholding in Orion Equities Limited.

Signature of Shareholder(s)

Individual or First Shareholder	Shareholder 2	Shareholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

_____	_____	_____
Date	Contact Telephone	Contact Email

NOTES

1. Number of Shares

This Notice only applies to the account identified by the SRN / HIN given above.

2. Signature requirements

Each shareholder must sign this form. If shares are held in joint names, all shareholders must sign. If signing as an Attorney, then the Power of Attorney must have been noted by the Company's share registry to be duly executed and accompany this form. Only duly authorised officers may sign on behalf of a company, stating the office held by the signatories.

3. Address for return of Share Retention Notice

Orion Equities Limited
C/- Advanced Share Registry Services
PO Box 1156
Nedlands WA 6909

4. For further information

Victor Ho
Company Secretary
Telephone: (08) 9214 9797
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