HALCYON GROUP LTD

ABN 13 086 972 429

9 June 2006

Sale of Unmarketable Parcels

Halcyon Group Ltd (ASX: HCY) are pleased to announce the Company plans to undertake a sale of unmarketable parcels of its ordinary shares pursuant to Regulation 33.2 of the Company's Constitution and in accordance with ASX Listing Rules. The sale is expected to substantially reduce the number of shareholders on the register who have less than a marketable parcel of shares and associated administration and servicing costs.

A notice of intention of proposed sale and notice of retention was despatched to minority shareholders today, as per copy attached.

Any queries in relation to the contents of the letter sent to shareholders should be directed to the Company Secretary on +618 9481 2433 or the Company's share registry, Computershare Investor Services on 1300 557 010 or +618 9323 2000 or by facsimile on +618 9323 2033 during business hours.

Kind regards
HALCYON GROUP LIMITED

S. Caruso

Silvia Caruso
COMPANY SECRETARY

Level 2, 45 Richardson Street West Perth WA 6005
Telephone: 61 8 9481 2433 Facsimile: 61 8 9322 5907
PO Box 568 West Perth WA 6872
Website: www.halcyongroup.com.au

HALCYON GROUP LTD

ABN 13 086 972 429

9 June 2006

Dear Shareholder

Notice of intention to sell your unmarketable parcel of shares

Halcyon Group Ltd ("**Halcyon**" or "**the Company**") would like to sell on your behalf, your unmarketable parcel of shares in the Company.

Halcyon currently has 1,801 shareholders on its register as at 6 June 2006. Of these, 706 shareholders hold a parcel of less than $500 in value based on 2 cents per share. Under ASX Listing Rules someone holding less than $500 in shares is defined as being a holder of an unmarketable parcel of shares ("**Minority Member**").

ASX Listing Rules and the Company's Constitution empowers the Company to sell the shares of any member who holds less that a marketable parcel of shares provided the Minority Member has:

(a) been issued with a notice of proposed sale; and

(b) not returned their notice of retention by 5:00pm on 28 July 2006.

To assist in reducing the large shareholder base and administrative costs associated with that base, Regulation 33.2 of the Company's Constitution empowers the Company to sell unmarketable parcels of shares, at the Company's cost, and to remit the proceeds to the shareholders whose shares have been disposed of in this manner. Shareholders with unmarketable parcels are able to sell their shares, free of transaction costs that potentially could be a significant proportion of the value of the small holding.

This notice is to inform you that the Company intends to invoke Regulation 33.2 of the Company's Constitution and sell your unmarketable parcel of shares. If you do not wish for your shares to be sold you must complete and return the Notice of Retention to our Share Registry, Computershare Investor Services no later than 28 July 2006.

If you wish your shareholding to be sold there is no need to do anything. As soon as practicable after 28 July 2006 the Company will endeavour to arrange the sale at the prevailing market price and the proceeds from that sale will be remitted to you within 14 days of the sale.

Any queries in relation to the contents of this letter should be directed to the Company Secretary on +618 9481 2433 or the Company's share registry, Computershare Investor Services on 1300 557 010 or +618 9323 2000 or by facsimile on +618 9323 2033 during business hours.

Kind regards
HALCYON GROUP LIMITED

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Website: www.halcyongroup.com.au

Halcyon Group Ltd
ABN 13 086 972 429

Computershare

All correspondence to:
Computershare Investor Services Pty Limited
GPO Box D182 Perth
Western Australia 6840 Australia
Enquiries (within Australia) 1300 557 010
(outside Australia) 61 3 9415 5000
Facsimile 61 8 9323 2033
web.queries@computershare.com.au
www.computershare.com

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SAM
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)

I1234567890 IND

Use a black pen. Print in CAPITAL letters inside the grey areas. A B C 1 2 3 **Where a choice is required, mark the box with an 'X'** X

Small Holding Sale Facility Form

IMPORTANT:

This is an important document and requires your immediate attention. If you wish to retain your ordinary shares ("Shares") in the Company, you must complete this form and return it so that it is received at one of the addresses set out on the back of this form by no later than 5.00pm (WST) on 28 July 2006.You should also refer to the detailed terms and conditions and other documents that accompanied this form. If you are in any doubt as to how to deal with this form, please consult a professional advisor.

B **Number of Shares as at Record Date**

The number of Shares that you held at 5.00pm WST 6 June 2006.

XXXXXXXXX

C **Retention of Shares**

X I/we refer to the notice from the Company dated 9 June 2006 and record my/our wish to retain my/our Shares.

D **Contact details**

Please provide your contact details in case we need to speak to you about this form.

Name of contact person

Contact person's daytime telephone number

( )

E **Sign here - this section must be signed before we can process this form.**

By signing and returning this form, I/we confirm that I/we understand that my/our Shares will not be sold under the Small Holding Sale Facility.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Day / Month / Year

TO BE A VALID INSTRUCTION, THIS FORM MUST BE RECEIVED AT ONE OF THE ADDRESSES LISTED OVERLEAF BY NO LATER THAN 5.00PM (WST) ON 28 JULY 2006

How to complete this form

Securityholders who wish to retain their shares must lodge a Small Holding Facility form.

A **Registration Name(s)**

Your name and address as it appears on the register of Halcyon Group Ltd.

B **Number of Shares as at Record Date**

This is the total number of Shares you held at 5.00pm WST on 6 June 2006.

C **Retention of Shares**

If you would like to retain your shares, please mark the box on the front of the form and return it in accordance with the lodgement instructions below.

If this form is not received by that time, and you have not otherwise validly notified the Company that you wish to retain your Shares by that time, the Company will be entitled to have your Shares sold for you.

If you wish to sell your Shares under the Small Holding Sale Facility, you should not complete this form.

D **Contact details**

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.

E **Signature(s)**

You must sign and date the form as follows in the space provided:

Joint holding: where the holding is in more than one name all of the securityholders must sign.

Companies: this form must be signed by either 2 Directors or a Director and a Company Secretary. Alternatively, where the company has a Sole Director and, pursuant to the Corporations Act, there is no Company Secretary, or where the Sole Director is also the Sole Company Secretary, that Director may sign alone.

Delete titles as applicable.

Consolidation of shareholdings

If you have more than one holding on Halcyon Group Ltd's register and you do not sell your Shares under the Small Holding Sale Facility, you should consider consolidating them. For further advice in this regard, please contact Computershare Investor Services Pty Limited ('CIS') on 1300 557 010 (within Australia) or 61 3 9415 5000 (outside Australia).

Lodgement of Form

If you wish to retain your Shares, this Small Holding Sale Facility Form must be completed and received by CIS at one of the addresses set out below by **no later than 5.00pm WST on 28 July 2006.**

It is your responsibility to allow sufficient time for this form to be received by CIS.

Your Small Holding Sale Facility Form must be sent to:

Postal address	OR	Hand delivery
Computershare Investor Services Pty Limited		Computershare Investor Services Pty Limited
GPO Box D182		Level 2
PERTH WA 6840		45 St Georges Terrace
		PERTH WA 6000

Privacy Statement

Personal information is collected on this form by CIS, as registrar for the Company, for the purpose of effecting your instructions in relation to the Small Holding Sale Facility, maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to the Company and its professional advisers, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the Company in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you have any enquiries concerning your Securityholding please contact CIS on telephone 1300 557 010.

This form may not be used to notify your change of address. For information please contact CIS on 1300 557 010 or visit the share registry at www.computershare.com

S R F
H C Y