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ASX Announcement

24 March 2014

Issue of Shares in Satisfaction of Convertible Note Interest Payable – March 2014 Quarter

The Company advises that it intends to exercise its option to pay interest payable to noteholders for the quarter ending 31 March 2014 by the issue of shares.

The most recent share sale price was $0.001 (0.1 cents). Following the approval of shareholders at the most recent AGM (31 May 2013) the note terms were amended setting a fixed price at which the convertible notes interest could be converted into shares at $0.0008. Total interest payable for the quarter is $157,474 which would result in the issue of 196,842,964 shares. However, as for previous quarters, the two largest noteholders will be deferring any interest payment and it is anticipated that 21,686,714 shares will be issued representing $17,349 in interest.

Registered noteholders (with the exception of the two largest noteholders) on 3 April 2014 (Record Date) will be issued with shares at $0.0008.

The following table summarises the entitlement of noteholders to the interest payable for the quarter.

'Ex' Date	27 March 2014
Record Date	2 April 2014
Issue Date	10 April 2014

The Company has received no Conversion Notices from any noteholders in the current quarter.

With respect to the Convertible Notes the Company will issue shares to these note holders in accordance with the Trust Deed.

As approved by shareholders at the Company's Annual General Meeting on 31 May 2013, conversion of notes has now also been fixed at $0.0008 per share.

FOR FURTHER INFORMATION CONTACT

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