OPTIMA
Corporation Limited

OPERATIONS REVIEW – QUARTER ENDED 30 JUNE 2005

ANNOUNCEMENT **26 JULY 2005**

WEST

Sales continued to grow during the quarter and generally in line with expectations. This quarter also included the first month in which WEST recorded sales in excess of US$100,000 for any given month, which occurred in May.

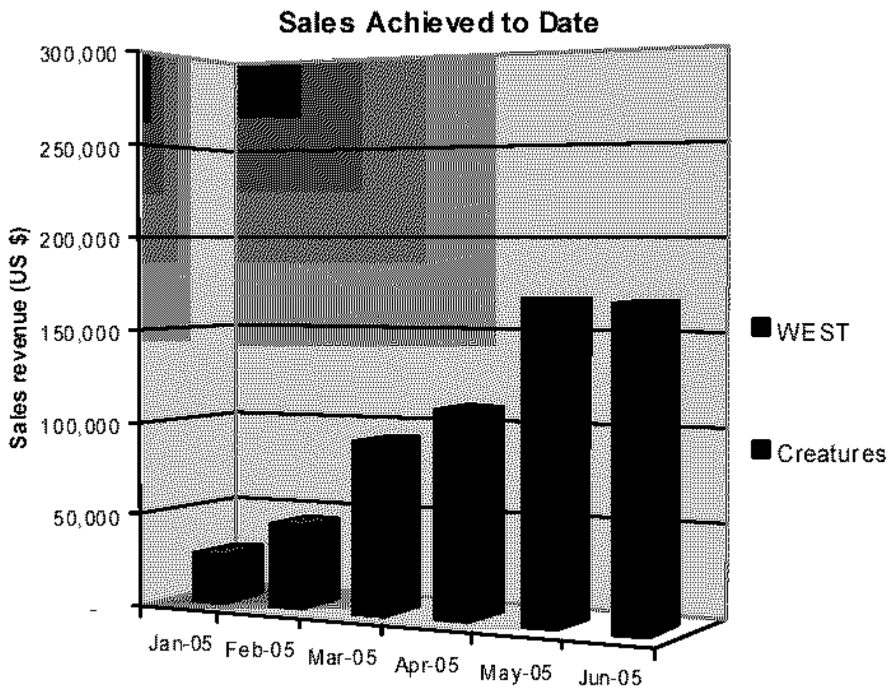
WEST released a limited range of wetsuits during the quarter which were very well received, as evidenced by the level of sales to retailers as well as good "sell through" by the retailers.

This is particularly encouraging given that numerous other styles of wetsuits offered by the brand are yet to be released and marketed into the USA. It is intended to gradually release the remaining styles over the coming 6 months.

Management remain confident that the introduction of the full line of wetsuits and continued efforts in marketing of the brand will result in continued sales growth over the coming months.

WEST opened approximately 50 new core surf retail accounts during the quarter, taking the total number of accounts to in excess of 150 as at 30 June 2005. As previously advised, WEST is striving to have 250 accounts opened by the end of the 2005 calendar year and this objective remains on track based on the performance over the previous 6 months.

As at 30 June 2005, closing inventory at wholesale valuation amounted to approximately A$840,000 and accounts receivable were approximately A$210,000.



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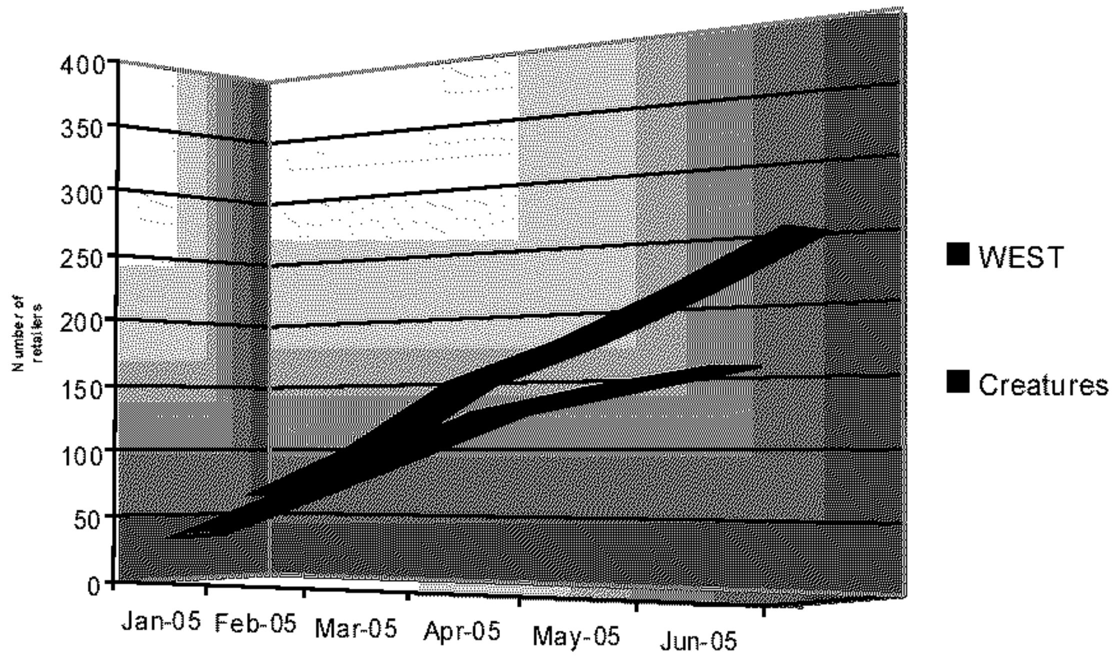
CREATURES OF LEISURE

Sales of the Creatures accessory line continue to enjoy significant growth, with each month being a new "record" sales month for the brand.

As at the end of the quarter, Creatures had opened a total of 250+ core surf retail accounts, having opened a total of approximately 100 new accounts during the quarter. The ability to continue opening new accounts at this rate will see management achieve its target of opening 400 accounts by the end of the 2005 calendar year.

As at 30 June 2005, closing inventory at wholesale valuation amounted to approximately A$760,000 and accounts receivable were approximately A$190,000.

Number of Retailer Accounts



CORPORATE ACTIVITY

General Meeting of Shareholders

The Company held a general meeting of shareholders in June where shareholders approved, amongst other items, the issue of 1,000,000 options to each of Jeff Pool and Michael Lesher, the Company's USA based Non-Executive Directors, as part of their remuneration package.

AUTHORISED BY:

Blair Sergeant
Managing Director

Rule 4.7B

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

OPTIMA CORPORATION LIMITED

ABN	Quarter ended ("current quarter")
36 098 455 460	**30 June 2005**

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from customers	356	475
1.2	Payments for (a) staff costs	(202)	(789)
	(b) advertising and marketing	(195)	(1,022)
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital (including inventories)	(626)	(2,035)
1.3	Dividends received		-
1.4	Interest and other items of a similar nature received	9	44
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net operating cash flows	**(658)**	**(3,327)**

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (12 months) $A'000
1.8	Net operating cash flows (carried forward)	**(658)**	**(3,327)**
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property		
	(d) physical non-current assets	-	(150)
	(e) other non-current assets	(19)	(311)
		-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property		
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
		-	-
1.11	Loans to other entities	-	(1)
1.12	Loans repaid by other entities	-	-
1.13	Other	-	-
	Net investing cash flows	**(19)**	**(462)**
1.14	**Total operating and investing cash flows**	**(677)**	**(3,789)**
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	(12)	2,560
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	8
1.18	Repayment of borrowings	(1)	(1)
1.19	Dividends paid	-	-
1.20	Other (provide details if material)	-	-
	Net financing cash flows	**(13)**	**2,567**
	Net increase (decrease) in cash held	**(690)**	**(1,222)**
1.21	Cash at beginning of quarter/year to date	1,341	1,911
1.22	Exchange rate adjustments to item 1.21	(12)	(50)
1.23	**Cash at end of quarter**	**639**	**639**

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	(78)
	Aggregate amount of payments to the parties included in item 1.20	-
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Re: Item 1.24

Executive Director's remuneration	(27)
Non-Executive Director's remuneration*	(40)
Payment to a director-related entity for secretarial & accounting services	(11)
	(78)

*includes payments made to Mr Michael Lesher that related to the period from July 2004 to June 2005.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter $A'000	Previous quarter $A'000
4.1 Cash on hand and at bank	131	341
4.2 Deposits at call	508	1,000
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	**639**	1,341

Acquisitions and disposals of business entities

	Acquisitions *(Items 1.13 and 2.1)*	Disposals *(Item 1.10(a))*
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... Date: 26 July 2005
(Managing Director)

Print name: Blair Sergeant

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.

   - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
   - 9.2 - itemised disclosure relating to acquisitions
   - 9.4 - itemised disclosure relating to disposals
   - 12.1(a) - policy for classification of cash items
   - 12.3 - disclosure of restrictions on use of cash
   - 13.1 - comparative information

3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.