OPTIMA Corporation Limited

OPERATIONS REVIEW – QUARTER ENDED 30 SEPTEMBER 2005

ANNOUNCEMENT **31 OCTOBER 2005**

WEST

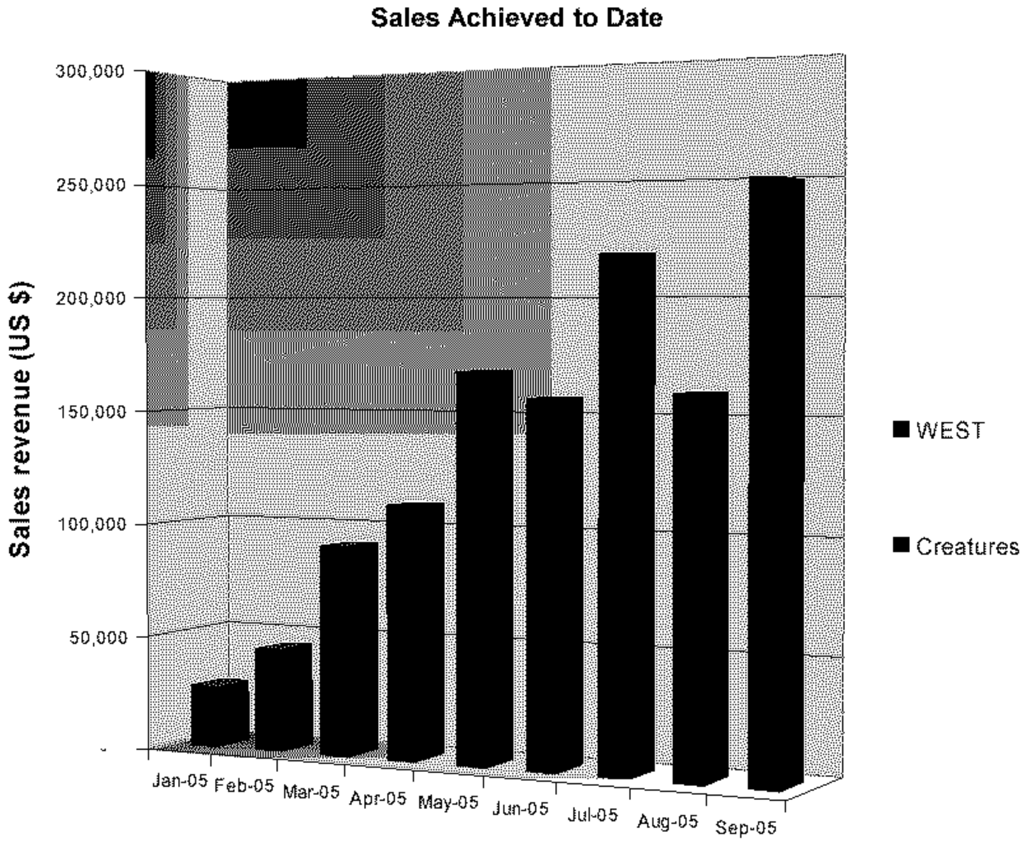
The September quarter is the most successful quarter to date for WEST, with gross sales posted in excess of A$485,000. This included September being a record month, with close to A$250,000 invoiced for the month, more than double the brand's best effort to date.

Significantly, the majority of September's sales were generated from wetsuit sales, which arrived during the quarter. This achievement reflects initial stocking pattern of customers for this product line and trends of ongoing sales will be developed as sell-though occurs at the retail level. The market feedback on the WEST wetsuit range is highly positive and we look forward to developing this important product range as part of the WEST portfolio.

Management expects sales to slow during the next quarter inline with industry and seasonal expectations.

WEST opened approximately 50 new core surf retail accounts during the quarter equalling last quarter's effort. This brings the total number of accounts to in excess of 200 as at 30 September 2005. As previously advised, WEST is striving to have 250 accounts opened by the end of the 2005 calendar year and management remains hopeful this target can be reached by 31 December 2005 as anticipated.

As at 30 September 2005, closing inventory at wholesale valuation for WEST amounted to approximately A$740,000 and Accounts Receivable were approximately A$190,000.



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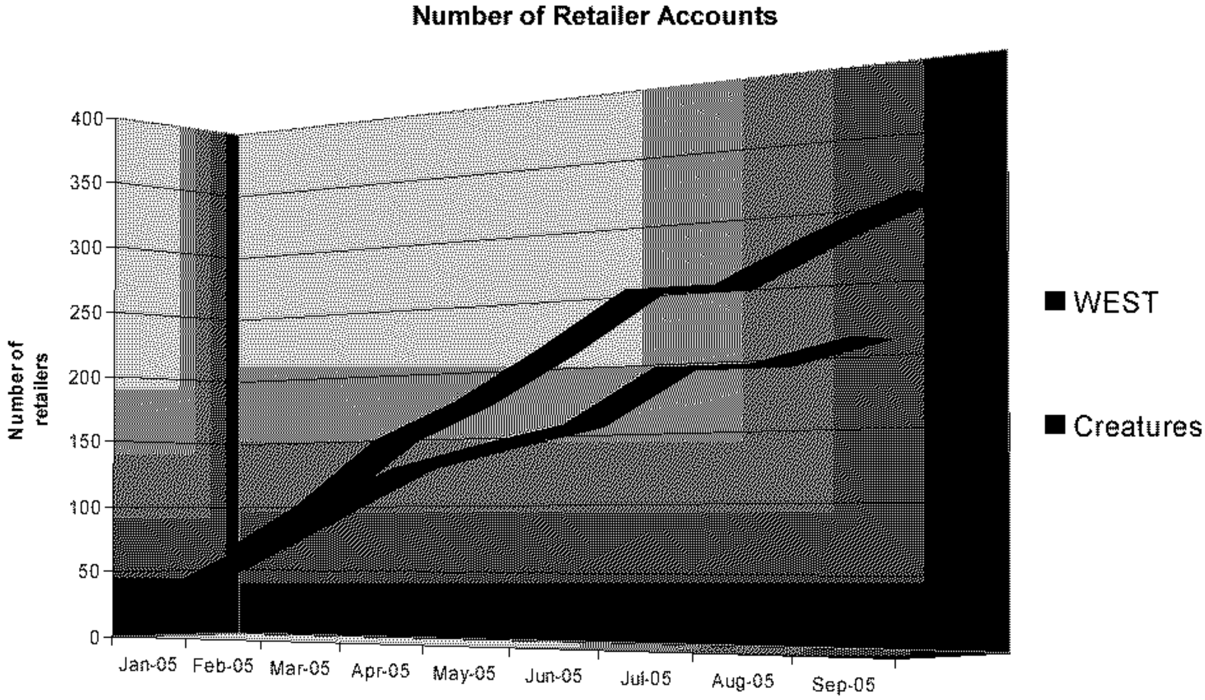
CREATURES OF LEISURE

Similarly to WEST, the September quarter proved to be a record quarter for Creatures too, with total gross invoices for the period amounting to approximately A$375,000. In July, Creatures posted sales of A$150,000, another record month and the first time Creatures has recorded sales in excess of $150,000 in any given month.

As at the end of the quarter, Creatures had opened a total of 300 core surf retail accounts, having opened an additional 50 new accounts during the period. The recent hurricanes in Florida continue to dampen sales in that region for all major players in the surf industry. This is an important territory for Creatures and growth in the area is expected to be modest during the next quarter. Nonetheless, management are still confident about reaching the target of opening 350-400 retail accounts by the end of the 2005 calendar year.

As at 30 June 2005, closing inventory at wholesale valuation amounted to approximately A$615,000 and accounts receivable were approximately A$130,000.



CORPORATE ACTIVITY

Appointment of Michael Lesher as new CEO/President.
Probably the most significant event in the Company's brief history, was the appointment of Mr Michael Lesher to the full-time CEO position. Mr Michael Lesher is a highly experienced and well respected US surf industry executive, being the former Director of Sales and Marketing in the US with iconic surf wear brands Billabong and Hurley International, as well as holding senior executive roles with Quiksilver.

The Board is very confident that the experience and contacts of Mr Lesher will prove invaluable in our quest to build the Company into a significant player in the global surf industry. Mr Lesher spent 14 years as the Director of Sales for Billabong U.S.A, growing domestic sales from US$5.1 million to US$74.2 million.

Factoring of Receivables
During the quarter, both West and Creatures signed agreements with a well respected commercial finance company specialising in "factoring" in order to release additional working capital to the Group.

Factoring of receivables is a fast, easy and flexible way to improve cash flow and generate working capital by gaining immediate access to cash that is normally tied up for 30, 60 or 90 days in accounts receivable invoices.

Unlike a traditional loan, factoring does not add debt to the balance sheet. By selling our accounts receivable to the "Factor" rather than borrowing from a bank, we simply convert one asset (accounts receivable) into another asset (cash). As both West and Creatures are new companies operating in the US, they are not able to access traditional debt facilities.

This facility has provided much needed working capital in an efficient and timely manner, providing significant cashflow improvements to fund continuing growth.

Share Purchase Plan
The Company introduced a Share Purchase Plan during the quarter and as a result, issued a total of 2,751,500 shares at an issue price of 10c per share, to raise gross proceeds of $275,150. The funds have been applied to fund working capital requirements.

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 September 2005**

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter $A'000	Year to date (3 months) $A'000
1.1	Receipts from customers	879	879
1.2	Payments for (a) staff costs	(210)	(210)
	(b) advertising and marketing	(319)	(319)
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital (including inventories)	(704)	(704)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	5	5
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	**(349)**	**(349)**

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (3 months) $A'000
1.8	Net operating cash flows (carried forward)	**(349)**	**(349)**
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	(18)	(18)
	(d) physical non-current assets	(1)	(1)
	(e) other non-current assets	-	-
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	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other	-	-
	Net investing cash flows	**(19)**	**(19)**
1.14	**Total operating and investing cash flows**	**(368)**	**(368)**
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	275	275
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other (provide details if material)	-	-
	Net financing cash flows	**275**	**275**
	Net increase (decrease) in cash held	**(93)**	**(93)**
1.21	Cash at beginning of quarter/year to date	639	639
1.22	Exchange rate adjustments to item 1.21	(2)	(2)
1.23	**Cash at end of quarter**	**544**	**544**

+ 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	(46)
	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	(13)
Payment to a director-related entity for secretarial & accounting services	(6)
	46

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	See below	355

*The consolidated entity has access to debtors financing facilities. The total gross limit of these facilities is approximately $800,000. This facility is drawn down in accordance with the level of qualifying trade receivables. The amount used under the facility was approximately $355,000 at 30 September 2005.

+ 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	544	131
4.2 Deposits at call	-	508
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	**544**	**639**

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: 31 October 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.