RiTract Limited

9 March 2004

The Manager
Company Announcements
Australian Stock Exchange
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Non-renounceable rights issue

RiTract Limited ("RTL") advises that the attached short form prospectus in respect to a non-renounceable rights issue of Options was lodged today with the Australian Securities and Investments Commission ("ASIC"). The prospectus is expected to be despatched to shareholders by 23 March 2004.

RTL advises that the record date for the non-renounceable rights issue will be 19 March 2004 and that RTL shares will trade on the Australian Stock Exchange ("ASX") on an "ex entitlement" basis commencing at the start of trading on 15 March 2004. For investor clarity, "ex entitlement" basis means that RTL shares purchased on the ASX on or after 15 March 2004 will not be included in the RTL share register for determining the shareholder's entitlement to the non-renounceable rights issue as at the record date.

Summary Terms of the Offer:
Shareholders are being offered the right to subscribe for one Option at an issue price of 0.5 cents each (half of one cent each) for each fully paid ordinary Share they hold at the record date. Each Option is exercisable into a fully paid ordinary Share by the payment of 30 cents per Share from the date of issue of the Options to 30 September 2004. For the period 1 October 2004 to the expiry date of the Options (31 December 2006), the exercise price will increase to 75 cents per Share.

If a shareholder exercises an Option on or before 30 September 2004 they will receive (for free) one new Option for each Option exercised. The terms of the new Option provide for an exercise price of 75 cents and an expiry date of 31 December 2006.

Indicative Timetable:
The timetable in respect of the non-renounceable rights issue is as follows:

Prospectus lodged with ASIC	9 March 2004
Shares quoted on an "ex entitlement" basis	15 March 2004
Record Date for determining entitlements under Rights Issue	19 March 2004
Despatch Prospectus	23 March 2004
Closing Date	14 April 2004
Deferred settlement trading commences and despatch Of holding statements	16 April 2004

Shareholders are invited to contact the Company Secretary, Mr Evan Cross on 08 9389 5933 for further information concerning the Rights Issue.

Company Activities:
Since listing on the ASX on 19 December 2003, I am pleased to report that the Company has made excellent progress in advancing the commercialisation of the RiTract syringe.

Specifically, the Company has achieved the following:

- ✓ Material improvements to the core retractable syringe product have now been incorporated in new designs.
- ✓ The new advanced designs have been successfully applied across a range of syringe sizes.
- ✓ The primary tooling process for the lead syringe product is due for completion in April 2004.
- ✓ A comprehensive review of potential global manufacturing partners has been conducted, the premises of the most suitable candidates have been inspected and evaluated and commercial discussions are in process with the final shortlist candidates.

The Company is committed to achieving the earliest possible commercial availability of the RiTract syringe. Further updates on the Company's progress will be advised to shareholders as significant events occur.

Yours truly,

Rupert Northcott
Managing Director

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