

26 October 2009

ASX ANNOUNCEMENT

Grant of Waiver by ASX

The Directors refer to the Notice of Annual General Meeting lodged with ASX on 23 October 2009 in respect of the Company's annual general meeting to be held at 11.00am on 26 November 2009.

At the annual general meeting, the Company is seeking approval for the purposes of Listing Rule 7.1 to offer and issue to all holders of the Company's listed options expiring on 31 December 2009 up to 42,629,028 new options expiring on 31 March 2013 with an exercise price of ten cents each at an issue price of \$0.005 on a pro rata basis of one new option for every listed option held. Approval is also being sought pursuant to Listing Rule 10.11 to allow Directors Scott Reid, Wayne Kernaghan and Greg Duncan to participate in the options issue up to an aggregate maximum of 7,456,818 options exercisable at \$0.10 on or before 31 March 2013, on the same terms and conditions as the unrelated allottees ("the Directors Options").

The Company has applied to ASX for a waiver from the requirement to issue the Directors Options within one month of the annual general meeting in accordance with Listing Rule 10.13.3. The Directors wish to advise that ASX has considered the Company's application for a waiver from Listing Rule 10.13.3 and decided as follows:

ASX has granted the Company a waiver from Listing Rule 10.13.3 to the extent necessary to permit the Company to issue the Directors Options later than one month from the date of the annual general meeting on the following conditions:

- (a) the Directors Options will be issued no later than 3 months after the date of the annual general meeting; and
- (b) the Company releases the terms of the waiver to the market.

Yours sincerely

Scott Reid
Chairman