

Dear Option holder,

Notice -Options Expiring 31st December, 2005

I am writing to remind you that the options you hold in Cosmedics Australia Limited expire on 31st December, 2005. Each option carries the right to acquire one fully paid share in the Company for A\$0.1333.

Your option holding as at close of trading on 14th December, 2005 is shown in the attached Option Exercise Form.

If you intend to exercise your options, wholly or in part, you must complete and sign the enclosed Option Exercise Form and return it together with a cheque for the exercise amount of A\$0.1333 per option. In order for your exercise of options to be valid, the Company will need to receive payment by the close of business on Friday 30th December, 2005. Cheques should be made payable to "Cosmedics Australia Limited". There are no additional costs such as commissions or brokerage in relation to the exercise of your options.

If you do not exercise your options before the expiry date, they will automatically lapse.

The last day for official quotation of the options on the NSX will be 21st December, 2005, being five business days before their expiry date.

As at the close of business on 14th December, 2005, the date immediately before this letter, the Cosmedics Australia Limited shares last traded at \$0.12 on the 26th October, 2005. The two most recent sales of the Company's shares prior to this were \$0.18 on 16th May, 2005 and \$0.15 on 22nd March, 2005.

There is no underwriting agreement in relation to the options.

To exercise your options, please complete the enclosed Option Exercise Form and return it to the share registry before 5pm (Brisbane time) on Friday 30th December, 2005

All fully paid shares issued upon exercise of the options will rank equally in all respects with the Company's existing fully paid shares. The Company will apply for Official Quotation by Australian Stock Exchange Limited of all shares issued upon exercise of the options.

On behalf of the Board of Cosmedics Australia Limited, I thank you in anticipation of your ongoing support.

Should you have any queries with regard to the exercise of your options, please contact the share registrar on (02) 8280 7454.

Yours faithfully

Dr. Bronte Douglass
Chairman