



20 March 2008

SHAREHOLDER UPDATE

Dear Shareholders,

An update on the Company is provided below:

We have requested that the exchange maintain our shares in suspension as at the present time we are in the process of negotiating a sale of a business unit that should help in securing a future upside for our shareholders.

Since our Annual General Meeting we have been negotiating with several parties to either sell the business or sell the assets of the business and the Company.

The Company would like to thank Sean Corbin for his services as a Non-Executive Director and Company Secretary and advise that he resigned effective 9 February 2008.

We would also like to thank Mr Robert Joseph for his services as a Non-Executive Director and advise that he resigned effective 12 February 2008.

The new Directors are Mr Jared Merrill and Ms Sandra Konig.

I look forward to updating you on the progress of negotiations in the near term and at that time we will lodge our accounts as they are impacted on significantly by the transaction being envisaged.

Kind Regards

Siegfried Konig
Chairman

END