



SUPPLEMENTARY DOCUMENT

This is a supplementary document which supplements the prospectus dated 1 August 2002 (**Prospectus**) lodged by State Development Fund Limited (**Company or SDF**) relating to the offer of up to 38 million Shares (subject to a minimum subscription requirement of 16 million Shares). This document must be read together with the Prospectus. Capitalised terms which are not defined in this supplementary document have the meaning given to them in the Prospectus.

This supplementary document contains further information relating to SDF as well as Aussep and ARA (which as stated in the Prospectus are companies in which SDF may invest pursuant to the Aussep Subscription Deed and the ARA Option Deed respectively).

1. SDF Financial Information

The "\$" sign in the phrase "the issue of \$4,496,000 fully paid ordinary Shares" in section 6.2 of the Prospectus should be deleted such that that phrase reads "the issue of 4,496,000 fully paid ordinary Shares".

The financial information detailed below has been extracted from SDF's audited financial statements for the year ended 30 June 2001, and for the six months ended 31 December 2001, and from SDF's unaudited internal management accounts for the six months ended 30 June 2002.

STATEMENTS OF FINANCIAL POSITION

	Audited 30 June 2001 \$	Audited 31 December 2001 \$	Unaudited 30 June 2002 \$
Current Assets			
Cash Assets	116	4,981	1,745
Prepayments	-	-	37,204
Capitalised Capital Raising Costs	125,373	65,131	125,913
TOTAL CURRENT ASSETS	125,489	70,112	164,862
Non Current Assets			
Property, Plant and Equipment	-	3,289	3,614
Other Financial Assets accounted for under the Equity Method	-	200,000	500,000
TOTAL NON CURRENT ASSETS	-	203,289	503,614
TOTAL ASSETS	125,489	273,401	668,476
Current Liabilities			
Payables	125,372	145,131	161,507
Non Interest Bearing Liabilities	-	65,030	145,030
TOTAL CURRENT LIABILITIES	125,372	210,161	306,537
TOTAL LIABILITIES	125,372	210,161	306,537
NET ASSETS	117	63,240	361,939
EQUITY			
Contributed Equity	4,000	204,000	584,000
Accumulated Losses	(3,883)	(140,760)	(222,061)
TOTAL SHAREHOLDERS' EQUITY	117	63,240	361,939



STATEMENT OF CASH FLOWS

Cash Flows from Operating Activities
Payments to Suppliers and Employees
Net Cash used in Operating Activities
Cash Flows from Investing Activities
Payment for Investments
Payment for Plant and Equipment
Net Cash used in Investing Activities
Cash Flows from Financing Activities
Proceeds from Share Issues
Proceeds from Borrowings
Net Cash used in Financing Activities
Net Increase/Decrease in Cash held
Cash at the beginning of the Financial Period
Cash at the end of the Financial Period

Audited 12 Months Ended 30 June 2001 \$	Audited 6 Months Ended 31 December 2001 \$	Unaudited 6 Months Ended 30 June 2002 \$
(3,884)	(56,876)	(139,787)
(3,884)	(56,876)	(139,787)
-	(200,000)	(500,000)
-	(3,289)	(3,614)
-	(203,289)	(503,614)
4,000	200,000	500,000
-	65,030	145,030
4,000	265,030	645,030
116	4,865	1,629
-	116	116
116	4,981	1,745

The financial information detailed below is extracted from SDF's unaudited internal management accounts for the year ended 30 June 2002. The illustrative examples which assume a Minimum Subscription and a Maximum Subscription have been prepared on the basis of the assumptions noted in Section 6.2 and 6.4 of the Prospectus.

In respect to the accounting treatment for the issue of 4,496,000 fully paid ordinary shares for no consideration to certain Directors, the Minimum Subscription and Maximum Subscription illustrative examples below incorporate adjustments for this transaction on the basis that, for accounting purposes, a value of 10 cents per share has been assigned to these shares. In this respect, the Contributed Equity Account has been increased by \$449,600 and decreased by \$219,200 representing the past and future services rendered by these Directors in respect of capital raising services, (consistent with the treatment of other capital raising costs of \$550,000 and \$900,000 in the Minimum Subscription and Maximum Subscription examples), and the Accumulated Losses Account has been increased by \$230,400 representing past remuneration of these Directors. These transactions will be recorded in SDF's financial statements for the six months ending 31 December 2002.

STATEMENT OF FINANCIAL POSITION

	Unaudited Year Ended 30 June 2002 \$	Pro Forma Min \$	Pro Forma Max \$
Current Assets			
Cash Assets	1,745	1,521,121	6,671,121
Prepayments	37,204	37,204	37,204
Capitalised Capital Raising Costs	125,913	-	-
TOTAL CURRENT ASSETS	164,862	1,558,325	6,708,325
Non Current Assets			
Property, Plant and Equipment	3,614	3,614	3,614
Other Financial Assets accounted for under the Equity Method	500,000	2,250,000	2,250,000
TOTAL NON CURRENT ASSETS	503,614	2,253,614	2,253,614
TOTAL ASSETS	668,476	3,811,939	8,961,939
Current Liabilities			
Payables	161,507	-	-
Non Interest Bearing Liabilities	145,030	-	-
TOTAL CURRENT LIABILITIES	306,537	-	-
TOTAL LIABILITIES	306,537	-	-
NET ASSETS	361,939	3,811,939	8,961,939
EQUITY			
Contributed Equity	584,000	4,264,400	9,414,400
Accumulated Losses	(222,061)	(452,461)	(452,461)
TOTAL SHAREHOLDERS' EQUITY	361,939	3,811,939	8,961,939



STATEMENT OF CASH FLOWS

	Unaudited Year Ended 30 June 2002 \$	Pro Forma Min \$	Max \$
Cash Flows from Operating Activities			
Payments to Suppliers and Employees	(139,787)	(175,381)	(175,381)
Net Cash used in Operating Activities	(139,787)	(175,381)	(175,381)
Cash Flows from Investing Activities			
Payment for Investments	(500,000)	(2,250,000)	(2,250,000)
Payment for Plant and Equipment	(3,614)	(3,614)	(3,614)
Net Cash used in Investing Activities	(503,614)	(2,253,614)	(2,253,614)
Cash Flows from Financing Activities			
Proceeds from Share Issues	500,000	4,500,000	10,000,000
Proceeds from Borrowings	145,030	145,030	145,030
Repayment of Borrowings	-	(145,030)	(145,030)
Payment of Capital Raising Costs	-	(550,000)	(900,000)
Net Cash used in Financing Activities	645,030	3,950,000	9,100,000
Net Increase/Decrease in Cash held	1,629	1,521,005	6,671,005
Cash at the beginning of the Financial Period	116	116	116
Cash at the end of the Financial Period	1,745	1,521,121	6,671,121

2. AUSPEP and ARA Financial Information

AUSPEP

The financial information detailed below is extracted from Auspep's audited financial statements for the years ended 30 June 2000 and 2001, and from Auspep's unaudited internal management accounts for the year ended 30 June 2002.

	Unaudited Year Ended 2002 \$	Audited Year Ended 2001 \$	Audited Year Ended 2000 \$
STATEMENT OF FINANCIAL PERFORMANCE			
Sales revenue	2,610,738	2,211,405	1,707,115
Profit/(loss) from ordinary activities before income tax	254,399	184,921	(77,335)
Income tax benefit relating to ordinary activities	59,520	-	-
Net profit/(loss) from ordinary activities after income tax	313,919	184,921	(77,335)
STATEMENT OF FINANCIAL POSITION			
Total Current Assets	692,789	726,666	429,543
Total Non-Current Assets	352,738	178,266	253,825
Total Assets	1,045,527	904,932	683,368
Total Current Liabilities	229,905	419,035	366,260
Total Non-Current Liabilities	34,439	18,633	34,765
Total Liabilities	264,344	437,668	401,025
Net Assets	781,183	467,264	282,343
Contributed Equity	1,347,647	1,347,647	1,347,647
Accumulated Losses	(566,464)	(880,383)	(1,065,304)
Total Equity	781,183	467,264	282,343
STATEMENT OF CASH FLOWS			
Net Cash Flows From Operating Activities	170,397	238,283	93,162
Net Cash Flows From Investing Activities	(216,487)	(22,089)	6,250
Net Cash Flows From Financing Activities	(17,120)	(38,330)	(82,749)
Net increase/(decrease) in cash held	(63,210)	177,864	16,663
Cash at 1 July	131,774	(46,090)	(62,753)
Cash at 30 June	68,564	131,774	(46,090)



ARA

The financial information detailed below is extracted from ARA's unaudited internal management accounts for the year ended 30 June 2002.

Notwithstanding that ARA was incorporated in November 1998, ARA only commenced operational and trading activities in November 2001 and such activities are reported in the year ended 30 June 2002. ARA, prior to 30 June 2001 did not trade or carry on any business activities nor received income nor incurred expenses.

**Unaudited
Year Ended
2002
\$**

STATEMENT OF FINANCIAL PERFORMANCE

Revenue	-
Loss from ordinary activities before income tax	(113)
Income tax relating to ordinary activities	-
Net loss from ordinary activities after income tax	(113)

STATEMENT OF FINANCIAL POSITION

Total Current Assets	13,218
Total Non-Current Assets	490,000
Total Assets*	503,218
Total Current Liabilities	2,931
Total Liabilities	2,931
Net Assets	500,287
Contributed Equity	500,400
Accumulated Losses	(113)
Total Equity	500,287

* ARA has provided a fixed and floating charge over its assets to the National Australia Bank Limited in support of the provision of loan funding to BAC.

STATEMENT OF CASH FLOWS

Net Cash Flows From Operating Activities	(113)
Net Cash Flows From Investing Activities	(490,000)
Net Cash Flows From Financing Activities	503,331
Net increase in cash held	13,218
Cash at 30 June	13,218

3. Auspep

The following sentence in Section 4.3 of the Prospectus is deleted:

"Today, this Australian owned company commands a market leadership in custom peptide synthesis in Australia and is exploring larger opportunities for value added GMP grade product here and overseas";

and replaced with:

"Today, this Australian owned company is an active participant in the custom peptide sythesis industry in Australia and is exploring larger opportunities for value added GMP grade product here and overseas."

The following sentence in Section 4.3 of the Prospectus is deleted:

"Synthetic peptides are at the core of the rapidly growing biotechnology industry";

and replaced with:

"Synthetic peptides are important to the rapidly growing biotechnology industry."

The following sentence in Section 4.3:

"The market for GMP quality peptides is growing strongly and offers higher revenue opportunities when compared to non-GMP catalogue and custom peptides."

is amended by deleting the word "strongly".

4. PKF CONSENT

PKF has given, and not withdrawn prior to the lodgement of this supplementary document with the ASIC, its written consent to be named in the Prospectus as Auditor and Tax Advisor to SDF in the form and context it is so named and has not withdrawn its consent to the inclusion in the Prospectus of its Independent Taxation Report in the form and context in which it is included and to the statement which appears in section 6.1 of the Prospectus that PKF has issued unqualified audit opinions in respect of the financial statements of SDF for the 12 month period ended 30 June 2001 and the 6 month period ended 31 December 2001. PKF takes no responsibility for any part of the Prospectus or this supplementary document other than any reference to its name, its Independent Taxation Report and the statement that it has issued an unqualified audit opinion in respect of the SDF financial statements for the 12 month period ended 30 June 2001 and the 6 month period ended 31 December 2001.

This supplementary document is dated 15 August 2002 and was lodged with ASIC on that date. Neither ASIC nor the ASX take any responsibility for the contents of this supplementary document.

This supplementary document is signed by Michael McDonald, who signs it for and on behalf of and with the authority of each Director of the Company, each of whom has consented to the lodgement of this supplementary document with ASIC.



Michael McDonald
Director
State Development Fund Limited