

STATE DEVELOPMENT FUND LIMITED

ACN 093 639 064

ANNOUNCEMENT TO BSX

State Development Fund Limited ("SDF") is pleased to announce that it will raise \$1,000,000 by the issue of 4,000,000 partly paid shares to two private investors, Dr. Andrew Ludekens and Mr. Dhillaran Sivaratnam. These shares replace the applications referred to in SDF's Announcement dated 6 November 2003, which have been cancelled.

These new shares have been issued without disclosure pursuant to Part 6D.2 of the *Corporations Act 2001* and on the following terms:

1. The issue price is 25 cents per share payable as to 5 cents per share on application, which has been paid. The balance of the shares will be paid on or about the 15 December 2003. Once fully paid these shares will be quoted on the BSX.
2. SDF has agreed to pay commission of Five per centum (5%) to each of the investors when the shares concerned are fully paid. This will involve the issue of a further 200,000 shares (100,000 to each investor) credited as fully paid; and
3. The Board of Directors of SDF has agreed to appoint Dr. Ludekens as Director of SDF on 8 December 2003.

SDF has lodged the attached supplementary prospectus with the ASIC in order to update the information contained in its Prospectus dated 3 October 2003. Persons who have already applied for shares pursuant to that Prospectus may on or before 1 January 2004 request the return of the moneys paid to SDF (see section 10 of the supplementary prospectus).

As announced on 6 November 2003, the Offer of up to a further 4,000,000 shares remains open until 9 January 2004 (unless extended) to increase the equity base and encourage a wider spread of investors.

Refer all enquiries to:

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