

Terms and Conditions of Unlisted Options Exercisable at \$0.50 Expiring at 5.00pm WST on 31 December 2011:

The Options shall be subject to the following terms and conditions:

1. The Options shall expire at 5.00pm WST on 31 December 2011 (**Expiry Date**).
2. Each Option shall carry the right in favour of the Holder to subscribe for one fully paid ordinary share in the capital of the Company. Options may only be exercised prior to the Expiry Date.
3. The shares allotted to the Holder on exercise of the Options shall be issued at an exercise price of \$0.50 (50 cents) per share (**Exercise Price**).
4. The Exercise Price of shares the subject of the Options shall be payable in full upon exercise of the Options.
5. Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the Holder to:
 - (a) exercise all or a specified number of the Options; and
 - (b) pay the subscription monies in full for the exercise of each Option.
6. The Notice must be accompanied by this certificate and a cheque made payable to the Company for the subscription monies for the shares. An exercise of only some Options shall not affect the rights of the Holder to the balance of the Options held by the Holder.
7. The Company shall allot the resultant shares and deliver a holding statement within five Business Days of the exercise of the Options.
8. The Options are not transferable other than to a Related Body Corporate of the Holder.
9. Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing ordinary fully paid shares in the capital of the Company in all respects.
10. The Options will not be listed for official quotation on the ASX.
11. In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, the number of Options or the exercise price of the Options or both shall be reconstructed (as appropriate) in accordance with the Listing Rules.
12. The Options will not give any right to participate in dividends until shares are allotted pursuant to the exercise of the relevant Options.
13. The Holder of an Option may only participate in new issues of securities to holders of ordinary shares in the capital of the Company if the Option has been exercised and shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give the Holder at least seven Business Days notice of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

14. There will be no change to the exercise price of an Option or the number of shares over which an Option is exercisable in the event of the Company making a pro rata issue of shares or other securities to the holders of ordinary shares in the capital of the Company.
15. In these terms and conditions, unless the context or subject matter otherwise requires:

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

Business Day means a day on which banks are open for general banking business in Perth, Western Australia excluding Saturday, Sunday or public holiday;

Listing Rules means the official listing rules of the ASX; and

Related Body Corporate has the meaning given to the term by Sections 9 and 50 of the *Corporations Act 2001* (Cth).