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Friday, 12 August 2005

COMPANY ANNOUNCEMENT OFFICE
AUSTRALIAN STOCK EXCHANGE

MARATHON

PARALANA ORE SYSTEM (EL3258)
WORLD CLASS URANIUM-REE-POLYMETALLIC SYSTEM

CLARIFICATION OF JORC COMPLIANT RESOURCE AT MT GEE

The ASX has requested that Marathon clarify certain of its statements relating to JORC compliant resources which were made in its ASX Release of 2 August 2005.

The ASX has requested a table detailing the tonnages and grades of the indicated and inferred resource and a basis for the cut-off grades or quality parameters used in the assessment. It has requested further details of the resource modelling, including assessment of underlying data.

The ASX also requested that Marathon retract its statements in respect of Exoil's previously estimated tonnages and/or restate the work in terms of exploration results under the JORC code and to adopt this pattern of reporting in the future.

Table of Resources

The following table supplements that contained in Marathon's ASX release of 2 August 2005:

Resource at Mt Gee Deposit

Project	JORC Classification	Cut-off grade	Tonnes Mineralisation	Uranium Avg Grade	Uranium tonnes
Mt Gee	Indicated resource	500 ppm	4,013,000	.09%	3,800
Mt Gee	Inferred resource	500 ppm	29,960,000	.07%	21,000
Mt Gee	Inferred resource	300 ppm (<500 ppm)	22,703,000	.04%	8,400
Total Uranium	**Indicated & inferred**		**56,676,000**		**33,200**

Project	JORC Classification	Cut-off grade	Tonnes Mineralisation	La-Ce Avg Grade	La-Ce tonnes
Mt Gee	Inferred resource	In >500 ppm U zone only	44,198,000	0.12%	51,800
Total La-Ce	**Inferred**		**44,198,000**		**51,800**

Deposit Modelling and Resource Estimation

Marathon's 3D ore body model was based on the data from Exoil and CRAE drill holes which were located within the estimation area delineated for Mt Gee. The model shows the upper and lower limits of total uranium horizons (for cut-off grade 500 ppm U_3O_8) related to the morphological surface. In general the deposit dips eastwards. Surfer 8 software was used for the 3D construction, and in the digital version it is possible to rotate the model in any direction. The lower and upper borders of the ore body were created using the kriging method.

The estimation of resources was made using geostatistical procedure of point and block kriging separately for the two parts of the uranium deposit distinguished (i.e. with the U_3O_8 grades >500 and 300-500 ppm) as well as for lanthanides (and molybdenum) in the uranium deposit with the U_3O_8 grade >500 ppm. This procedure makes possible the estimation of the mean values of deposit parameters in a point or a block, including the accumulation index that is the essential parameter in the estimate of resources, with the highest possible reliability (i.e. the lowest error).

Further details of modelling and resource estimation, including reference to considerations of certain quality parameters relating to the data, are given in the pages annexed to this letter.

Cut-off grades or quality parameters

The cut off grades selected to delineate the mineralisation at the Mt Gee deposit were based on limits assessed as representing both historical and current mining practice. A cut off grade of 1 lb/short ton, or 450 ppm, has been applied in Exoil's historical estimates, and a grade of 500 ppm is above that currently being mined internationally. The lower cut off grade limit of 300 ppm was selected to delineate that larger body of the Mt Gee deposit that may in the future prove to be economic. This lower grade is consistent with the cut off grade applied at certain mining operations currently underway.

To determine ore horizons with the cut-off grade 500 ppm, both the mean weighted U_3O_8 content for whole horizon had to be >500 ppm, and the U_3O_8 content in a single border sample had to be >500 ppm. In limited cases a single interval with uranium content below 500 ppm was included in the resource estimates when the average for the whole horizon was higher than 500 ppm.

In addition to the above, where a single interval with a thickness of $\leq$1 m and U_3O_8 content >500 ppm, occurring some meters above the main horizon, the horizon was considered to be 300-500 ppm, and single intervals with thickness $\leq$1 m and U_3O_8 content >500 ppm occurring at the depth below 100 m and with no richer horizons recorded were omitted from estimates

Similar critera were applied in respect of ore horizons with the 300-500 ppm U_3O_8 content: the mean weighted U_3O_8 content for whole interval had to be 300-500 ppm, and the U_3O_8 content in a single border sample had to be 300-500 ppm. Intervals with a thickness below 2 m and U_3O_8 content 300-500 ppm were excluded from estimates unless they occurred immediately next to the top or bottom of the horizons with the U_3O_8 content >500 ppm.

Other criteria adopted related to thickness and overburden. The assumed ratio of the overburden to the deposit thickness was 1:10 for the richer (>500 ppm) and the poorer (300-500 ppm) ore horizons. Intervals with the U_3O_8 content 300-500 ppm occurring immediately next to the top or bottom of the intervals with the U_3O_8 content >500 ppm were included into the horizon category of 300-500 ppm, irrespective of their thickness. The horizons with the U_3O_8 content 300-500 ppm were considered when their thickness was >2 meters.

Taking into account the correspondence between La+Ce and uranium content, no separate criteria for La+Ce was applied other than restriction of estimates to those parts of the deposit with the U_3O_8 contents >500 ppm. The total tonnage of mineralisation reflects the surfacial area and mean thickness of the tabular resource. The contained metal and average grade represent calculated accumulation indices applied across the resource.

Retraction of statements in respect of Exoil's previous mineralisation estimates

Marathon retracts its statements made in its ASX Release of 2 August 2005 in respect of Exoil's pre-JORC estimates of tonnages and grades. It is understood that these statements did not comply with present JORC reporting standards and investors are therefore referred to Exoil's April 1972 Final Report on SML413 to draw their own conclusions. It was not the intention of Marathon to do other than provide the background to its own JORC compliant resource estimates, and to give information on the historical estimates in the context of a current JORC compliant resource estimate.

Marathon has believed at all times that its approach is consistent with the JORC Code's overriding imperative for transparency and materiality and with the requirements of competence in reporting. As it has done in the past, Marathon will ensure that future mineral resource and ore reserve reports are JORC Compliant.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves has been compiled by Dr Vic W Bogacz, a full time Executive Director of Marathon Resources Ltd, who is a Member of the Australian Institute of Geoscientists and the Polish Geological Society, a Member of the Federation of European Geologists. Dr Bogacz is also a member of the international Society of Geology Applied to Mineral Deposits. Dr Bogacz has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person for the purposes of the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Bogacz consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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Modelling of the Mt Gee Deposit

Variability of Mt Gee Deposit Parameters

The variability of the following deposit parameters was mathematically modelled:

- the U_3O_8 content (z_i[ppm]), also referred to as the uranium content;
- the thickness of the uranium deposit (M_i[m]);
- the accumulation index of U_3O_8 in the uranium deposit (qi[kg/m^2]);
- the contents of molybdenum (Mo), lanthanides (La+Ce) and copper (Cu);
- the accumulation indices of molybdenum, lanthanides and copper.

The accumulation indices in each of the drill holes were calculated from the equation:

$$qi[kg/m^2] = z_i[ppm] \times M_i[m] \times \gamma_o[Mg/m^3] \times 0.001$$

where: γo – bulk density of the ore, assumed on the basis of the measurements in two drill holes: 2.97 Mg/m3 for the area of the uranium resources calculated at the U_3O_8 grade >500 ppm and 2.91 Mg/m3 for the area of the uranium resources calculated at the U_3O_8 grade 300-500 ppm.

The calculation area was a polygon limited by lines joining the outermost drill holes in which the uranium content exceeds 500 ppm U_3O_8 and the size of this area is 637,095 m2. The distribution of exploration drill holes in the area is highly non-uniform with their density being very high only in the western-central part and highly insufficient in the remaining part. Such a distribution of the calculation points is very unfavourable for the exact estimation of the resources of the metals considered.

In the next step, in the vertical plane of the deposit, two zones with the following contents of uranium were distinguished:

- >500 ppm U_3O_8;
- 300-500 ppm U_3O_8.

The study was carried out in two stages. The first included an initial statistical appraisal of the core sampling, the other a modelling of the variability structure of selected deposit parameters using geostatistics.

Determinations of the U_3O_8 variability were made for both parts of the deposit, i.e. within its limits with the U_3O_8 contents >500 and 300-500 ppm, while of Mo, La+Ce and Cu variabilities only within the limits of the deposit with the U_3O_8 contents >500 ppm.

Statistical Treatment of Data

Statistical treatment of deposit parameters:

- plotting of histograms showing probability distributions of deposit parameters;
- determining the statistical parameters, such as arithmetic mean, maximum and minimum values, variance, standard deviation, coefficient of variability, standardized coefficients of asymmetry (kurtosis) and excess (skewness), that quantitatively describe variabilities of deposit parameters.

Numerical results of the statistical treatment of deposit parameters and their variability were tabulated and plotted. The data sets differed strongly with the variability of the U_3O_8 content for the deposit with the U_3O_8 grade >500 ppm being moderate (variability coefficient 35%), while the U_3O_8 content and the contents of other elements being highly variability (variability coefficients from 71 to 112%).

The accumulation indices of the elements considered show high or extremely high variability due to the strong variability of the thickness of the deposit with U_3O_8 grade >500 ppm. The empirical probability distributions of the accumulation indices of the elements considered are characterised by a distinct positive asymmetry (standardized asymmetry coefficients are higher than 2), which excludes approximating by a normal distribution.

Geostasitical Modelling of the Ore Body

The geostatictical characteristics of the variability structure of deposit parameters required calculation of isotropic sample semivariograms, which describe the relation of mean squared differences of the deposit parameter values and the mean distances between the points in which they were measured. Next, the sample semivariograms were approximated with respective continuous analytical functions, which then play the role of geostatistical models of variability of deposit parameters and are the basis of kriging, i.e. the geostatistical procedure of resource estimation. The effectiveness of the kriging procedure depends on the contribution of a non-random variability component to the total variability as well as on the range of autocorrelation of the parameters considered.

The numerical results of geostatistical modelling were tabulated and plotted as semivariograms, together with their analytical models. The deposit parameters (including U_3O_8 content and accumulation index, thickness of the uranium deposit and accumulation index) for the two parts of the deposit, with the U_3O_8 grades >500 and 300-500 ppm, were modelled. The poor data sets for the content and accumulation indices of La+Ce necessitated the adoption of random variability models for these parameters, with constant values for their semivariograms equal to the statistical variance.

In the deposit with the U_3O_8 grade >500 ppm the deposit parameters - except for the U_3O_8 content - are characterized by (1) a low non-random variability component w_N [%] that does not exceed 1/3 of the total observed variability of the parameters in question, and (2) rather significant ranges of autocorrelation (400-600 m). This means that in the case of U_3O_8 content (w_N =64%) one can expect a fairly sufficient reliability of estimation of this parameter and acceptable reliability of interpolation of this parameter in the deposit with the U_3O_8 grade >500 ppm. In the remaining cases, the reliability of estimation of the mean parameter values for the whole uranium deposit is expected to be low, while point interpolation reliability will be extremely low.

3D Model of Ore Body and Estimation of Resources

Surfer 8 software was used for the construction of the 3D ore body model, which was based on the data from Exoil and CRAE drill holes located within the estimation area. The model shows the upper and lower limits of total uranium horizons (for cut-off grade 500 ppm U_3O_8) related to the surface. In general the deposit dips eastwards and, in the digital model, can be rotated in any direction. The lower and upper borders of the ore body were created using the kriging method.

The estimation of resources was made using geostatistical procedure of point and block kriging separately for the two parts of the uranium deposit distinguished (i.e. with the U_3O_8 grades >500 and 300-500 ppm) as well as for lanthanides (and molybdenum) in the uranium deposit with the U_3O_8 grade >500 ppm. This procedure makes possible the estimation of the mean values of deposit parameters in a point or a block, including the accumulation index that is the essential parameter in the calculation of resources, with the highest possible reliability (i.e. the lowest error).

The estimation of the values of parameters in points or blocks is a weighted average:

$$z_K^* = \sum_{i=1}^{N} w_{iK} \cdot z_i$$

where:

w_{iK} – weight of a "*ith*" observation,

z_i – parameter value in a sampling point "i",

N – number of sampling points used in the estimation.

The set of weights can be determined from the set of kriging equations. The kriging procedure takes into account: (1) the number and mutual configuration of the sampling points used in the estimation, (2) the position of these points against the estimation point or estimation block, (3) the assumed model of differentiation of parameters. When calculating the mean U_3O_8 contents, the thickness of the deposit, the U_3O_8 accumulation index as well as the Mo content and Mo accumulation index, the geostatistical models of semivariograms previously calculated were used.

Mean accumulation indices of the elements considered were determined with point kriging. To do this, the values of these parameters within the limits of the uranium deposit were estimated in the nodes of the square interpolation grid 20x20 m, each time taking into account the eight closest observations, and then calculating their arithmetic means. The mean accumulation index of the component obtained in this way was multiplied by the deposit area to give resources of an element.

The measure of reliability of the estimation is expressed as the standard kriging error, whose magnitude depends on: (1) the number and position of sampling points against themselves and against the deposit area estimated, (2) the model of variability of parameters, and (3) the size and shape of the estimation area. The error of estimating the accumulation index was determined using block kriging. As the size of the deposit area is fixed in this method, the error of estimating the mean accumulation index is a measure of reliability estimation. In this case, the reliability of the estimation of resources was characterized by a relative error that is calculated as a quotient of the standard kriging error and the estimated mean accumulation index.

The limits of the uranium deposits with the U_3O_8 grade >500 ppm were determined from the contour map of this component drawn using the interpolation procedure of point kriging (grid 50x50 m). The contour line with the value 500 ppm separates in the south-central part of the area two parts of the uranium deposit. The same map presents the mean U_3O_8 content in blocks (sizes 50x50 m) estimated with block kriging. This map was supplemented by a map of relative errors of the U_3O_8 content estimation in points (contour lines) and blocks. The highest U_3O_8 grades occur in the western part of the deposit and the reliability of their estimation in blocks is satisfactory. The map of the thickness of the uranium deposit with the U_3O_8 grade >500 ppm indicates that the zones with the highest thickness are localized between the zones with the highest U_3O_8 grades and the contour line 500 ppm. In these thickest zones the highest U_3O_8 accumulation indices were found but, as a rule, the reliabilities of their estimation in the 50x50 m blocks are low, with relative (standard) errors sometimes exceeding significantly 20%.

The borders of the uranium deposit with the U_3O_8 grade 300-500 ppm were established as it was described above, i.e. from the contour map of the U_3O_8 contents obtained with point kriging. For this part of the uranium deposit, the zones with the highest values of: the U_3O_8 contents, the thickness and the U_3O_8 accumulation index overlap and extend as an N-S belt in the central part of the deposit. The maps of the contents and accumulation indices of the accompanying elements within the limits of the uranium deposit with the U_3O_8 grades >500 ppm show similar trends as those represented by uranium, i.e. the concentration of the highest parameters in the west-central part of the uranium deposit.

The results of estimation of the resources of uranium and accompanying elements with the mean values of deposit parameters are shown in the table below.

Mean values of deposit parameters and the resources of the elements

Element	Type of U_3O_8 resources	N	Mean			Surface area [m^2]	Resources [Mg]	Standard error of resource estimation [%]
			Content [ppm]	Thickness [m]	Accumulation index [kg/m^2]			
U	Deposit with U_3O_8 grade >500 ppm	48	730	20.3	43.925	564,787	24,808	21
	Deposit with U_3O_8 grade 300-500 ppm	48	368	14.2	15.231	549,423	8,368	----------
	Total		--------	--------	----------	--------	33,176	----------
U	Exoil area deposit with U_3O_8 grade >500 ppm	30	937	17.7	49.2	76,416	3,760	17
La+Ce	Deposit with U_3O_8 grade >500 ppm	16	1172	26.4	91.750	564,787	51,819	31

N – number of data

Conclusion

Uranium and other mineralisation has been identified from the analyses of Exoil and CRAE data. The most important and relatively well documented within the Paralana Ore System is in the Mt Gee area. This area can be further subdivided into two parts, one part investigated by CRAE company and the other (in the main) by Exoil. With regard to the whole area, the uranium resources identified can be classified as inferred. However, the area prospected by Exoil (the western part of the calculation block) has a smaller distance between drill holes and, thus, a higher confidence of resource evaluation in comparison to the area investigated by CRAE only. As this part of the calculation block has a higher level of geological recognition, regarding the spacing of sampling points, its resources can be classified as indicated.

Further exploration is proposed for the Mt Gee area. Re-evaluation of existing inferred resources requires new investments. Several holes will be drilled within the calculation block and in its immediate vicinity. The drill holes completed within the calculation block will be the basis for re-classification of inferred resources to indicated resources, due to increasing confidence levels, while other drill holes outside of the block may enlarge the size of the deposit

Consideration of JORC Quality Parameters

For both Inferred and Indicated Resource

Data Spacing and Distribution

Data spacing and distribution was carefully considered in Marathon's resource modelling. Generally speaking, the CRAE data is from broad spaced drilling, considered adequate in its coverage and distribution to give confidence in geological and geostatistical continuity for an inferred resource. In the area where Marathon identified an indicated resource, the CRAE drilling is supplemented by very dense Exoil drilling and by additional Goldstream drilling. Marathon is confident that this density and distribution of drilling is more than sufficient for the indicated resource category.

Data Review and/or Audit

Marathon and EGC have taken steps to review and/or audit data to the extent possible. Marathon has been in contact with personnel from each of the main previous explorers and independent consultants and had discussions on the manner in which the work was carried out by those organisations. Strategic drill holes from the Mt Gee area have been reviewed and/or viewed, as many drill cores and/or samples are still available. Marathon took into account Goldstream's reassays of many samples from Mt Gee, with results validating earlier information and giving further confidence to the quality of the data. Only holes for which original drill hole logs were preserved were taken into account in resource estimates. Marathon is confident that its review process has been sufficient for the categories of resource estimated, whether inferred or indicated.

For Indicated Resource in Particular

Drilling Techniques

Various drilling techniques were adopted over the long exploration period in question. For the overall inferred resource, to which CRAE drilling was in the main applied, both RC (reverse circulation) and diamond drilling were employed, with the spacing relatively broad. In the Exoil area drilling was very dense. Exoil itself used mainly open hold percussion drilling (at least 100 holes within an area 500mx270m) supplemented by at least 11 diamond holes. CRAE drilled one diamond hole and Goldsteam 6 RC holes in this area. Marathon considers this drilling to be satisfactory for resource estimation of the class applied.

Sample Recovery

Indications from drill records is that sample recovery was generally acceptable (100% in many cases) while poor in specific zones. Down hole sample lengths were typically 1.5 m, based on a historical 5 ft sample interval. Sample recovery has been deemed acceptable overall for the class of resource estimate applied.

Logging

Logging is generally adequate (in Exoil holes) to excellent (in CRAE holes). Mineralisation is restricted to several recognisable rock types and whilst individual descriptions vary they are consistent in context. Down-hole information of the older work is incomplete, while the records of more recent work are complete. Logging was considered adequate for the class of resource estimate applied.

Sub-sampling Techniques and Preparation

Marathon's enquiries indicate the apparent application of standard procedures in the field by appropriately qualified personnel. Laboratory procedures were applied in a standard manner by accredited laboratories and Marathon has no reason to doubt the veracity of these procedures.

Assay Quality

Marathon has assessed assay quality as far as possible, noting that assays were carried out by respected and accredited organisations, apparently AMDEL primarily. CRA and Exoil applied XRF (X-ray fluorescence) analysis for U_3O_8. Goldstream re-assayed certain Exoil holes, using using AAS (atiomic absorption spectrometry) and ICP/MS (mass spectrometry technology) by Genalysis.

Marathon noted that Exoil based assay intervals on zones assessed by scintillometer readings to be twice background radioactivity content. CRAE used down-hole logging to define zones for analytical prioritisation. While records for standard duplicate samples are not recorded, the use of scinitillomer and hole loggers is method of ensuring the validity of analyses. Marathon has no reason to doubt the quality or veracity of the assay results.

ASX

AUSTRALIAN STOCK EXCHANGE

9 August 2005

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Dr John Santich
Chief Executive Officer
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By Facsimile: 8362 5955

Dear Dr Santich

RE: ANNOUNCEMENT DATED 2 AUGUST 2005.

We refer to the announcement lodged by Marathon Resources Limited (the "Company") on 2 August 2005 (the "Announcement").

The Announcement reports the following resource estimates within the Mount Gee deposit.

- A 33,200 tonne JORC compliant uranium inferred resource.
- An estimated 51,800 tonnes of Lanthanum-Cerium JORC compliant inferred resource.

Australian Stock Exchange Limited ("ASX") requests that the Company provide each of the following.

- A JORC-compliant table detailing the tonnage and grades of the indicated or inferred mineral resource.
- The basis of the cut-off grades or quality parameters applied.

The Announcement also contains previous resource estimates; for example Table 1 on page 2 of the Announcement.

Pursuant to the Australasian Code for Reporting of Mineral Resources and Ore Reserves (the "JORC Code"), the public reporting of mineral resources (and/or ore reserves) that is non-JORC compliant is not permitted.

Accordingly, ASX requests that the Company make an announcement to the market retracting its statements with respect to all previous resource estimates and re-state the previous work in terms of "exploration results" under the terms of the JORC Code.

Please also confirm that the Company will not report on mineral resources and/or ore reserves which are non-JORC compliant in its future announcements.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 10 am CST on Thursday, 11 August 2005.

A response must be in a form suitable for release to the market. If you have any concern about release of a response please contact me immediately.

Please note that ASX reserves the right to release this letter together with your response to this letter, to the market.

Please contact me if you have any questions in relation to this letter.

Yours sincerely,

Justin Nelson
Manager Companies

Direct Line: (08) 8216 5026

ASX
AUSTRALIAN STOCK EXCHANGE

11 August 2005

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Dr John Santich
Chief Executive Officer
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By Facsimile: 8362 5955

Dear Dr Santich

We refer to the proposed announcement provided by Marathon Resources Limited (the "Company"), dated 10 August 2005 (the "Announcement").

Paragraph 24 of the JORC Code notes that resource estimates are not precise calculations and states "*reporting of tonnage and grade figures should reflect relative uncertainty of the estimate by rounding off to appropriately significant figures and, in the case of Inferred Mineral Resources, by qualification with terms such as 'approximately'* ".

The table of resources in the Announcement does not comply with the JORC Code to the extent that it reports Inferred Resources with an apparently high level of precision.

It is also noted under the JORC Code that in order to emphasise the imprecise nature of a mineral resources estimate, the final result should always be referred to as an estimate not a calculation.

Furthermore, the reference to Exoil's previous non-JORC complying resource estimate in the final paragraph of the Announcement is not in compliance with the JORC Code.

Accordingly, Australian Stock Exchange Limited ("ASX") requests that the Company amend the Announcement in light of the above.

ASX is concerned that the new Indicated Resource estimates appear to have almost doubled the previous tonnage estimates at Mt Gee without any apparent further drilling. This appears to be a matter of materiality. ASX requests that the Company provide further details regarding the modelling method employed in order to demonstrate how the Company arrived at its estimates of tonnes and grade.

In so doing, the Company should have regard to "Table 1 – Check List of Assessment and Reporting Criteria" under the JORC Code. Whilst the check list under Table 1 is not prescriptive, the JORC Code requires the Competent Person to address criteria in their report that are material to the estimates.

Given that the Company's resource estimates rely on historical data, the following criteria under Table 1 are considered to be material to the resources categorised as Indicated Resources and should be addressed by the Company in its report, or alternatively, the estimates could be downgraded to Inferred Resources:

- Drilling Techniques
- Drill sample recovery
- Logging
- Sub-sampling techniques and sample preparation
- Data spacing and distribution (whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource classification applied)
- Quality of assay data
- Verification of sampling and assaying.
- Audits or reviews

It is also considered that the following points from Table 1 are considered material with respect to resources categorised in the Inferred Category. These items should be addressed in the Company's report, or alternatively, these Inferred Resources could be reported as Exploration Results;

- Data spacing and distribution (whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource classification applied)
- Audits or reviews.

The report should also provide confirmation that the Company will not report on mineral resources and/ore reserves which are non JORC compliant in its future announcements.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 9:00am EST on Monday, 15 August 2005.

A response must be in a form suitable for release to the market. If you have any concern about release of a response please contact me immediately. Please note that ASX reserves the right to release this letter, together with your response to this letter, to the market.

Please contact me if you have any questions in relation to this letter.

Yours sincerely,

Matthew Fraser
<u>Companies Adviser</u>

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