

Industry Rationalisation

The Directors have noted the article in the Australian Financial Review today and will not comment on specific matters raised, as they are speculative.

The Directors however, advise that the company is in detailed negotiations with two parties in relation to transactions which will result in a restructuring of the company and rationalisation of the industry. The Directors have been involved in discussions and negotiations with a range of parties over a long period of time. Negotiations with two parties have now advanced to a stage where the Directors believe there is a realistic prospect that a final agreement will be reached.

At this stage none of the parties have committed to any final agreement and details of the negotiations are confidential. Shareholders will be advised as soon as any agreement is reached. Directors believe that the transactions if implemented will benefit the company and its shareholders.

Signed

R J B MOODY
Company Secretary

12 February 1999