



25 July 2006

Company Announcements Office  
Australian Stock Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

**Re: Placement of Shares**

Dear Sirs

We wish to advise that we have completed a placement of 3,000,000 ordinary shares (TSR) at an issue price of \$0.05 per share to sophisticated investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act 2001.

The \$150,000 raised will be used in support of the Company's work program consisting of:

- development and commercialization of the Company's environmental remediation technologies,
- development of the Mantuan Downs bentonite resource.

We wish to give notice for the purpose of section 708A(5)(e) of the Corporation Act 2001 that:

- The new ordinary shares were issued without disclosure to investors under Part 6D.2 of the Corporations Act 2001;
- Techstar Limited has complied with relevant provisions of Chapter 2M of the Corporations Act 2001 and section 674 of the Corporations Act 2001 as they apply to the Company; and
- The company has no excluded information with the meaning of sections 708(A)(7) and 708(A)(8) of the Corporations Act 2001.

Please do not hesitate to call Mr. Michael Ilett if you have any queries regarding this placement.

Yours faithfully

A handwritten signature in black ink, appearing to read 'M Ilett', is written over a faint, illegible printed name.

Michael Ilett  
Company Secretary