



TECHNOLOGY INCUBATION GROUP LIMITED

ABN 70 091 805 480

NOTICE OF GENERAL MEETING INCORPORATING

EXPLANATORY MEMORANDUM INDEPENDENT EXPERT'S REPORT AND PROXY FORM

IN RELATION TO:

1. THE ACQUISITION OF AN 80% INTEREST IN TIGER INTERNATIONAL HATCHERY PTY LTD AND TIGER INTERNATIONAL FARMS PTY LTD BY THE PURCHASE OF SHARES FROM FAUSTUS NOMINEES PTY LTD.
2. THE ISSUE OF 11,425,061 SHARES TO FAUSTUS NOMINEES PTY LTD.
3. AUTHORITY TO PLACE 12 MILLION SHARES AT NOT LESS THAT \$0.10.
4. CHANGE OF THE COMPANY'S NAME.

Date of Meeting: Friday, 10 October 2003

Time of Meeting: 11:00am

Place of Meeting: 12 Walker Avenue, West Perth, Western Australia

The Notice of General Meeting and Independent Expert's Report should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

TECHNOLOGY INCUBATION GROUP LIMITED

ABN 70 091 805 480

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of members of TECHNOLOGY INCUBATION GROUP LIMITED ("TIL" or "Company") will be held at 12 Walker Avenue, West Perth on Friday, 10 October 2003 at 11:00am.

The Explanatory Memorandum which accompanies and forms part of this Notice of General Meeting describes the various matters to be considered. Terms used in this Notice of General Meeting are defined in the glossary section of the accompanying Explanatory Memorandum.

AGENDA

RESOLUTIONS

1. ACQUISITION OF TIH AND TIF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following ordinary resolution:

"THAT, subject to the passing of Resolution 2 and for the purposes of Listing Rules 7.1, 10.1 and 10.11 and for all other purposes, the members of the Company hereby approve:

- (a) the acquisition or acquisitions by the Company of 61 TIH Shares and 80 TIF Shares on the terms and conditions set out in the Acquisition Agreement and described in the Explanatory Memorandum accompanying this Notice in order to increase the Company's current shareholding from 49% to 80% of the entire issued share capital of TIH and make the Company the holder of 80% of the entire issued share capital of TIF; and
- (b) the payment of \$61.00 and the issue and allotment of 11,425,061 TIL Shares to Faustus Nominees Pty Ltd in connection with the acquisition of the TIH and TIF Shares referred to in Resolution 1(a) on the terms and conditions set out in the Acquisition Agreement and described in the Explanatory Memorandum accompanying this Notice,

and hereby authorise the Directors to execute such documents and do all such acts and things as shall be necessary or desirable in order to implement and give full effect to this resolution."

The Company will disregard any votes cast on this Resolution by Faustus Nominees Pty Ltd and any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of the Company's securities, if this Resolution is passed, and any associate of such persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. ACQUISITION OF GREATER THAN 20% OF THE VOTING POWER IN THE COMPANY BY FAUSTUS NOMINEES PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following ordinary resolution:

"THAT, subject to the passing of Resolution 1 and for the purposes of Item 7 of the table in section 611 of the Corporations Act and all other purposes, the members of the Company hereby approve the acquisition or acquisitions by Faustus Nominees Pty Ltd of 11,425,061 TIL Shares, being the TIL Shares referred to in Resolution 1(b), on the terms and conditions set out in the Acquisition Agreement and described in the Explanatory Memorandum accompanying this Notice, notwithstanding that such acquisition or acquisitions will result in the voting power in the Company (within the meaning of the Corporations Act) of Faustus Nominees Pty Ltd and its associates increasing to more than 20%."

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed acquisition and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of the Company's securities, if this Resolution is passed, and any associate of such persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. ISSUE OF SHARES BY PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following ordinary resolution.

"THAT the Directors are authorised to issue progressively within three months after the date of this Meeting up to 12,000,000 TIL Shares at a price of not less than \$0.10 each, such TIL Shares to rank pari passu in all respects with TIL's listed ordinary fully paid shares, as at the date they are issued. The Directors may issue, under this authority, such TIL Shares to whomsoever they choose (to the extent permitted by the Law and ASX Listing Rules) and in whatsoever ratios or proportions or separately as they see fit."

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of the Company's securities, if this Resolution is passed, and any associate of such persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. CHANGE OF COMPANY NAME

To consider and, if thought fit, to pass, with or without amendment, the following special resolution:

"THAT the Company's name be changed from 'Technology Incubation Group Limited' to 'Tiger International Limited' and the Company's constituent documents be amended accordingly".

BY ORDER OF THE BOARD

JEAN MATHIE
COMPANY SECRETARY

DATED: 10 September 2003

TECHNOLOGY INCUBATION GROUP LIMITED

ABN 70 091 805 480

EXPLANATORY MEMORANDUM

For the benefit of shareholders of Technology Incubation Group Limited ("TIL" or "the Company"), the resolutions referred to in the Notice of General Meeting are explained below.

1. BACKGROUND

1.1 General - TIH and TIF

The purpose of Resolutions 1 and 2 of this General Meeting is to consider the approval of the issue of TIL Shares proposed to be made by TIL and the acquisition of TIH and TIF Shares by TIL.

TIL presently holds 49% of issued share capital of TIH, and completion of the proposed acquisition of TIH and TIF Shares would result in TIL holding 80% of the issued capital of both TIH and TIF, with the remaining 20% being held by Faustus Nominees Pty Ltd ("Faustus"). Completion of the proposed issue of TIL Shares to Faustus would result in Faustus and its associates holding approximately 32.5% of the issued capital of TIL.

Profiles of TIF and TIH and an overview of the aquaculture industry in which they are involved are contained in sections 4, 5 and 6 of the Independent Expert's Report by BDO Consultants (WA) Pty Ltd which is attached as Appendix A.

Management and Key Personnel

John Hutton and Nicholas Miller have both agreed to provide their services to TIL and it is proposed that they will both be invited to join the Board of Directors of TIL following completion of the Acquisition Agreement. Their qualifications and experience are summarised below.

John Hutton

John Hutton is currently the Managing Director of both TIH and TIF and holds directorships in other companies involved in resources, tourism and pearling, including Maxima Pearling Company Pty Ltd, Australia's third largest producer of Australian South Sea Pearls. He is trained in accounting, and has experience in merchant banking, budgeting, financial planning and tax related matters.

Nicholas Miller

Nicholas Miller is currently a director of both TIH and TIF and the Managing Director of Maxima Pearling Company Pty Ltd. He has extensive experience in the management of marine assets, pearl oyster hatcheries and spat production methods and has held senior management positions in a number of pearling companies.

1.2 Nature of the Acquisition Agreement

In summary, TIL and Faustus have entered into the Acquisition Agreement which provides for:

1. the sale by Faustus to TIL of 61 TIH Shares in consideration for the payment of \$61.00 by TIL to Faustus, to increase TIL's shareholding in TIH from 49% to 80% of the entire issued share capital of TIH; and
2. the Loan Debt due by TIF to Faustus, which was \$760,879 as at 30 June 2003, being settled in full by the issue of 80 TIF Shares by TIF to Faustus to convert the Loan Debt into equity and to release TIF from any liability to Faustus in respect of the Loan Debt; and
3. the sale by Faustus to TIL of 80 TIF Shares in consideration for the issue of 11,425,061 TIL Shares to Faustus, to make TIL the holder of 80% of the entire issued share capital of TIF. The issue of these TIL Shares to Faustus will increase the shareholding of Faustus and its associates in TIL from approximately 8.15% to approximately 32.52% of the entire issued share capital of TIL immediately following that issue.
4. TIL committing to progressively fund all approved expenditure for the ongoing evaluation and establishment and operation of a large scale commercial prawn hatchery and prawn farming enterprise by TIH and TIF in consideration for TIL being released from all its expenditure commitments and other obligations under prior agreements with Faustus, TIH and TIF.
5. the grant to TIL of an option to increase its 80% shareholding in both TIH and TIF to 100%, to make these companies wholly owned subsidiaries of TIL, by purchasing the remaining 20% shareholding in both TIH and TIF in return for the issue of TIL shares.
6. Dr. Tor Theunissen, the Chairman of TIL, being invited to join the boards of directors of both TIH and TIF, and John Hutton and Nicholas Miller being invited to join the Board of Directors of TIL.

Conditions

The Acquisition Agreement is subject to satisfaction of various conditions, the material outstanding conditions being as follows:

- a. approval of the shareholders of TIL;
- b. TIL and Faustus obtaining all consents and approvals necessary to complete the acquisitions under the Acquisition Agreement;
- c. John Hutton and Graeme Hutton entering into agreements with TIL necessary to effect a non-competition arrangement with TIL for a period of 2 years.

Representations and Warranties

The Acquisition Agreement otherwise contains various terms and conditions necessary to give effect to the proposed acquisitions, including warranties and representations by Faustus in favour of TIL.

Termination

The Acquisition Agreement may be terminated at any time prior to completion of the agreement as prescribed in the Acquisition Agreement including:

- (a) by mutual agreement between TIL and Faustus; or
- (b) by either TIL or Faustus (as appropriate) upon notification to the non-terminating party by the terminating party:
 - (i) at any time after 30 October 2003 if the acquisitions have not been consummated and such failure to consummate the acquisitions is not caused by a breach of the Acquisition Agreement by the terminating party;
 - (ii) if the Resolutions 1 and 2 are not passed by TIL shareholders;

if on or before 30 October 2003 there has been a material breach of any representation, warranty, covenant or agreement on the part of the non-terminating party.

To complete the Acquisition Agreement, TIL now seeks the approvals required of its shareholders under the Listing Rules and the Corporations Act.

1.3 The Effect on the Financial and Capital Structure of TIL

The effect on the financial structure of TIL is detailed in the Independent Expert's Report by BDO Consultants (WA) Pty Ltd which is attached as Appendix A. A summary of the change in capital structure is as follows.

	Ord f/p Shares #
Shares currently on issue	31,587,330
Shares if shareholders approve Resolution 1	11,425,061
	<hr/> 43,012,391
Shares if shareholders approve Resolution 3 (if issued)	12,000,000
	<hr/> 55,012,391
Shares if all unlisted options (8,533,334) exercised	8,533,334
Shares on issue on a fully diluted basis	<hr/>63,545,725

1.4 Expert's Report

Pursuant to the requirements of Listing Rule 10 and Corporations Act item 7 of section 611 the Directors commissioned BDO Consultants (WA) Pty Ltd to prepare an Independent Expert's Report to shareholders on the proposed acquisitions and share issue. This report is attached as Appendix A. BDO Consultants (WA) Pty Ltd is independent of TIL, and the Relevant Acquirers and their respective associates.

BDO Consultants (WA) Pty Ltd has concluded in its Independent Expert's Report that in its opinion the proposed transaction and the acquisition of TIL Shares by Faustus and its associates is fair and reasonable to the non-associated shareholders of TIL.

1.5 Advantages and Disadvantages

The acquisition of TIH and TIF Shares by TIL and the issue of TIL Shares to Faustus entails a number of advantages and disadvantages, as outlined in section 15 of the Expert's Report.

The Directors consider the advantages outweigh the disadvantages.

1.6 Directors' Recommendation

The Directors of TIL, Messrs Theunissen, Kennedy and Simich, all of whom are independent, have considered the conclusions and the advantages and disadvantages perceived by BDO Consultants (WA) Pty Ltd set out in the Independent Expert's Report, and consider that the proposed transaction will be in the best interests of TIL.

Messrs Theunissen, Kennedy and Simich therefore recommend that shareholders of TIL vote in favour of Resolutions 1 and 2 and consider that the interests of TIL shareholders will not be adversely affected by the acquisition of TIL Shares by Faustus.

To the best of the Directors' knowledge, all matters which are material and necessary for the shareholders to make an informed decision on Resolutions 1 and 2 have been provided to the shareholders in this Explanatory Memorandum and the Independent Expert's Report.

2. ASX LISTING RULES - RELATED PARTIES

For the purposes of the Listing Rules, a "related party" includes a person who would be a related party in the future under the tests in section 228 of the Corporations Act (applied with any necessary adaptation).

If the transaction is completed, John Hutton will be invited to become a director of TIL and, if he accepts that invitation and is appointed as a director of TIL, he will become a related party of TIL for the purposes of section 228 of the Corporations Act and Listing Rules 10.1 and 10.11.

Graeme Hutton, who is not a director of TIL, is the father of John Hutton and, as such, he will become a related party of TIL for the purposes of section 228 of the Corporations Act and Listing Rules 10.1 and 10.11 if John Hutton is appointed as a director of TIL.

Faustus will own the TIL Shares issued to it under the Acquisition Agreement in its capacity as trustee for the G J Hutton Family Trust. John Hutton and his father, Graeme Hutton, are not shareholders in Faustus but comprise two of the four directors of Faustus and are both in a named class of beneficiaries of the G J Hutton Family Trust. Faustus is an entity controlled by Graeme Hutton and John Hutton and if John Hutton is appointed as a director of TIL, both of them will become related parties of TIL for the purposes of section 228 of the Corporations Act and Listing Rules 10.1 and 10.11 and Faustus, as an entity controlled by related parties of TIL, will become a related party of TIL for the purposes of section 228 of the Corporations Act and Listing Rules 10.1.

If the transaction is completed, Nicholas Miller will be invited to become a director of TIL and, if he accepts that invitation and is appointed as a director of TIL, he will become a related party of TIL for the purposes of section 228 of the Corporations Act and Listing Rules 10.1 and 10.11.

John Hutton and Graeme Hutton are directors, but not shareholders of Faustus, which currently holds 51% of the issued share capital of TIH and 100% of the issued share capital of TIF. John Hutton, Graeme Hutton and Nicholas Miller are directors of both TIH and TIF and accordingly both TIH and TIF may, if both John Hutton and Nicholas Miller are appointed as directors of TIL, be considered to be entities controlled by related parties of TIL and, as such, both TIH and TIF will become related parties of TIL for the purposes of section 228 of the Corporations Act and Listing Rules 10.1.

3. RESOLUTION 1 - ACQUISITION AND DISPOSAL OF SECURITIES PURSUANT TO THE ACQUISITION AGREEMENT - ASX LISTING RULES

3.1 ASX Listing Rule 7.1

Listing Rule 7.1 limits the number of equity securities (e.g. shares) which a listed company may issue in any 12 month period without shareholder approval (subject to certain exceptions, eg. a pro rata issue to all shareholders). The limit is no more than 15% of the total of the number of fully paid ordinary shares on issue at the beginning of the 12 month period.

As the number of TIL Shares that will be issued to Faustus under the Acquisition Agreement exceeds the 15% threshold referred to above, shareholder approval is required for the issue of those TIL Shares.

3.2 ASX Listing Rule 10.1

Listing Rule 10.1 provides, in summary and without limitation, that unless approved by an ordinary resolution of its shareholders, a listed company may not acquire a substantial asset from or dispose of a substantial asset to:

- (a) a related party of the company;
- (b) an associate of a person referred to in (a) above; or
- (c) a person whose relationship with the company or a related party is, in the opinion of ASX, such that approval should be obtained.

In the circumstances, the acquisitions of the TIH and TIF Shares in consideration for the issue of TIL Shares to Faustus pursuant to the Acquisition Agreement would constitute acquisitions and disposals of substantial assets requiring the approval of shareholders for the purposes of Listing Rule 10.1.

3.3 ASX Listing Rule 10.11

Listing Rule 10.11 provides, in essence, that a listed company may not issue securities to any of the following persons without the approval of ordinary shareholders:

- (a) a related party; or
- (b) a person whose relationship with the company or a related party is, in the opinion of ASX, such that approval should be obtained.

In the circumstances, the issue of TIL Shares to Faustus pursuant to the Acquisition Agreement would constitute issues of TIL Shares requiring shareholder approval for the purposes of Listing Rule 10.11.

3.4 Approvals under the Listing Rules

TIL is accordingly seeking in Resolution 1, the shareholder approval required under Listing Rules 7.1, 10.1 and 10.11.

3.5 ASX Listing Rules Information

In accordance with Listing Rule 10.1, TIL engaged an independent expert to form a view as to whether the before mentioned transactions are fair and reasonable to the non-associated shareholders of TIL (the results of which are contained in the BDO Consultants (WA) Pty Ltd report attached as Appendix A).

In accordance with the Listing Rules, shareholders are advised as follows.

- (a) Pursuant to the Acquisition Agreement, 11,425,061 TIL Shares will be issued and allotted to Faustus and an amount of \$61.00 will be paid to Faustus.
- (b) The TIL Shares will be issued at a deemed issue price of \$0.05 each in consideration for the sale by Faustus to TIL of 80 TIF Shares, constituting 80% of the entire issued share capital of TIF. These 80 TIF Shares are shares to be issued by TIF to Faustus to settle the Loan Debt due by TIF to Faustus. The sum of \$61.00 will be paid in consideration for the sale by Faustus to TIL of 61 TIF Shares.
- (c) John Hutton will be invited to join the Board of Directors of TIL should the Acquisition Agreement be completed and, as such, is a related party of TIL for the purposes of subsection 228(6) of the Corporations Act and Listing Rules 10.1 and 10.11.
- (d) Graeme Hutton, who is not a Director of TIL, is the father of John Hutton and, as such is considered to be a related party of TIL for the purposes of section 228 of the Corporations Act and Listing Rules 10.1 and 10.11.
- (e) Nicholas Miller will be invited to join the Board of Directors of TIL should the Acquisition Agreement be completed and, as such, is a related party of TIL for the purposes of subsection 228(6) of the Corporations Act and Listing Rules 10.1 and 10.11.
- (f) Faustus, as a company controlled by Graeme Hutton and John Hutton, is a related party of TIL for the purposes of subsection 228(6) of the Corporations Act and Listing Rules 10.1 and 10.11.
- (g) Subject to shareholder approval, the TIL Shares will be issued within 1 month after that approval, or within such longer periods as the ASX may approve should TIL apply for a waiver of the relevant Listing Rules.
- (h) No capital will be raised from the issue of the TIL Shares to Faustus.

4. RESOLUTION 2 - ACQUISITION OF GREATER THAN 20% OF THE VOTING POWER IN TIL

4.1 Corporations Act

Section 606 of the Corporations Act prohibits an acquisition of a relevant interest in voting shares in a company if that acquisition would increase the voting power of any person to more than 20%.

Such an acquisition is permitted where the allotment or purchase of the shares has been agreed to by shareholders by passing an ordinary resolution at a general meeting. The table below identifies and illustrates the number of TIL Shares and the voting power in TIL, held by Faustus and its associates prior to completion of the Acquisition Agreement and the maximum number of TIL Shares and the voting power in the TIL on completion of the Acquisition Agreement, assuming that all of the TIL Shares are issued pursuant to the Acquisition Agreement.

Shareholder	PRIOR TO ACQUISITION			AFTER ACQUISITION		
	No of TIL Shares held	% of total issued TIL Shares	% Voting Power in TIL	No of TIL Shares held	% of total issued TIL Shares	% Voting Power in TIL
Faustus Nominees Pty Ltd						
Direct Holding	2,566,939	8.13	8.13	13,992,000	32.50	32.50
Indirect Holding ¹	8,000	.03	.03	8,000	.02	.02
John Hutton						
Direct holding	8,000	.03	.03	8,000	.02	.02
Indirect Holding ²	2,566,939	8.13	8.13	13,992,000	32.50	32.50
Graeme Hutton						
Direct Holding	-	-	-	-	-	-
Indirect Holding ¹	2,566,939	8.13	8.13	13,992,000	32.50	32.50

Notes: ¹Shares held by J Hutton. ²Shares held by Faustus.

After the acquisition, the percentage of the voting power in TIL held by Faustus and its associates will, by reason of the provisions of the Corporations Act, be deemed to be as follows:

- Faustus Nominees Pty Ltd will be deemed to have approximately 32.52%, comprising its shareholding of 13,992,000 TIL Shares representing approximately 32.5% and John Hutton's shareholding of 8,000 TIL Shares representing approximately .02%;
- John Hutton will also be deemed to have 32.52%, comprising his shareholding of 8,000 TIL Shares representing approximately .02%, and Faustus' shareholding of 13,992,000 representing approximately 32.50%; and
- Graeme Hutton will be deemed to have approximately 32.50%, comprising Faustus' shareholding of 13,992,000 TIL Shares.

The above table reveals that upon completion of the Acquisition Agreement, Faustus, John Hutton and Graeme Hutton will possess a voting power in TIL greater than 20%. Accordingly, TIL is required to seek shareholder approval under item 7 of section 611 of the Corporations Act before the transaction may proceed.

ASIC requires that certain information be provided to shareholders who are to consider a resolution pursuant to item 7 of section 611.

For the purposes of item 7 of section 611, the following information is provided.

(a) Identity of Acquirers

Faustus will acquire 11,425,061 TIL Shares. This will result in the percentage of the voting shares currently held, both directly and indirectly, by Faustus, John Hutton and Graeme Hutton (**the Relevant Acquirers**) in TIL increasing from a total of 2,574,939 TIL Shares, representing approximately 8.15%, to 14,000,000 TIL Shares, representing approximately 32.52% of the voting shares in TIL upon completion of the Acquisition Agreement.

Upon application of the Corporations Act, the Relevant Acquirers will, either directly or indirectly, acquire greater than 20% of the voting power in TIL, further particulars of which are given in the above table.

(b) New Directors

John Hutton and Nicholas Miller will be invited to join the Board of Directors of TIL should the Acquisition Agreement be completed. Further particulars of this are given in section 1.1 of this Explanatory Memorandum.

(c) Intentions of the Relevant Acquirers

TIL understands that the Relevant Acquirers and their associates have the following intentions regarding the future of TIL:

- (i) they propose to see the business of TIL develop and commercialise the TILH and TIF prawn hatchery and farming enterprise;
- (i) they have no present intention to personally inject additional capital into TIL;
- (ii) they have no present intention to change the future employment of the present employees of TIL;
- (iii) other than as disclosed in this Explanatory Memorandum, they do not presently intend to enter into any further transactions with TIL concerning the transfer of property;
- (iv) other than as disclosed in this Explanatory Memorandum, they do not presently intend to redeploy the fixed assets of TIL; and

- (v) they do not presently intend to significantly change the financial or dividend policies of TIL other than to support any future fund raising to enhance the development and commercialisation of TIL's products.

(d) Particulars of Acquisition Agreement

Particulars of the Acquisition Agreement are set out in Section 1.2 of this Explanatory Memorandum.

(e) Timing of Acquisition

As stated above, the completion of the Acquisition Agreement will take place within one month of the approvals granted by TIL shareholders, otherwise in accordance with the Listing Rules.

(f) Interests of Directors

It is proposed that John Hutton and Nicholas Miller will be invited to join the Board of Directors of TIL.

John Hutton is a director of Faustus. He personally holds 8,000 shares in the capital of TIL and has a relevant interest in 2,566,939 shares in the capital of TIL currently held by Faustus. On completion of the Acquisition Agreement and the passing of Resolutions 1, and 2, TIL will issue 11,425,061 TIL Shares to Faustus and John Hutton will have a relevant interest in those TIL Shares in addition to his interest in Faustus' current holding of 2,566,939 TIL Shares and the 8,000 TIL Shares held by him personally.

Nicholas Miller personally holds 450,000 TIL Shares. His relevant interest in any TIL Shares will not increase as a consequence of the completion of the Acquisition Agreement.

5. CHAPTER 2E OF THE CORPORATIONS ACT

Chapter 2E of the Corporations Act prohibits TIL from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the express exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

The issue of TIL Shares to Faustus (as contemplated in Resolution 1) may constitute the giving of a "financial benefit" to "related parties" pursuant to the definition of these terms in the Corporations Act.

The independent directors of TIL do not consider that prior shareholder approval for the issue of TIL Shares and TIL Options to the above mentioned parties is necessary on the basis of the exception contained in section 210 of the Corporations Act. Section 210 provides that member approval is not required to give a financial benefit on terms that:

- (a) would be reasonable in the circumstances if the Company and the related parties were dealing at arm's length; or
- (b) are less favourable to the related than the terms referred to in paragraph (a).

6. ISSUE OF TWELVE MILLION TIL SHARES BY PLACEMENT

Shareholders are asked to approve the issue, at the directors' absolute discretion, of up to 12,000,000 TIL Shares at an issue price of not less than \$0.10 each. These TIL Shares will rank equally in all respects with existing listed TIL Shares.

The TIL Shares will be issued progressively by no later than three months after the date of the Meeting.

If Resolution 3 is passed, the funds raised from the issue of TIL Shares approved under that Resolution will be applied towards the additional working capital requirements of TIL described in Section 15.2.3 of the Independent Expert's Report.

7. GLOSSARY OF TERMS

In this Explanatory Memorandum the following expressions have the following meanings.

"Acquisition Agreement" means the formal Acquisition Agreement executed by TIL and Faustus. on or about 1 September 2003.

"ASIC" means the Australian Securities and Investments Commission.

"ASX" means Australian Stock Exchange Limited.

"Company" or **"TIL"** means Technology Incubation Group Limited ACN 091 805 480.

"Directors" means the directors of TIL from time to time.

"Expert's Report" means the expert's report for the purposes of item 7 of the table in section 611 of the Corporations Act and Listing Rule 10.1, prepared by BDO Consultants (WA) Pty Ltd, which is attached as Appendix A to, and forms part of, this Explanatory Memorandum.

"Explanatory Memorandum" means this explanatory memorandum.

"Listing Rules" means the listing rules of ASX.

"Loan Debt" means all amounts, owing by TIF to Faustus in respect of loans made by Faustus to TIF.

"Meeting" means the general meeting of shareholders of TIL convened by this Notice.

"Notice" or **"Notice of General Meeting"** means the notice of general meeting which accompanies this Explanatory Memorandum.

"Resolution" means a resolution referred to in the Notice of General Meeting.

"TIF" means Tiger International Farms Pty Ltd (ACN 096 149 727).

"TIF Shares" means fully paid ordinary voting shares issued in the capital of TIF.

"TIH" means Tiger International Hatchery Pty Ltd (ACN 102 631 041).

"TIH Shares" means fully paid ordinary voting shares issued in the capital of TIH.

"TIL Shares" means fully paid ordinary voting shares issued in the capital of TIL.

APPENDIX A
INDEPENDENT EXPERT'S REPORT

**INDEPENDENT EXPERT'S
REPORT**

**TECHNOLOGY INCUBATION
GROUP LIMITED**

29 August 2003



Consultants (WA) Pty Ltd
A.B.N. 62 008 264 419

TECHNOLOGY INCUBATION GROUP LIMITED

INDEPENDENT EXPERT'S REPORT

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29 August 2003

The Directors
 Technology Incubation Group Limited
 12 Walker Avenue
 WEST PERTH WA 6005

Dear Sirs

INDEPENDENT EXPERT'S REPORT – TECHNOLOGY INCUBATION GROUP LIMITED

1. INTRODUCTION

BDO Consultants (WA) Pty Ltd ("BDO") has been engaged by Technology Incubation Group Limited ("TIL" or "the Company") to prepare an Independent Expert's Report ("our Report") to express an opinion as to whether or not the acquisition of a controlling interest in Tiger International Hatchery Pty Ltd ("TIH") and Tiger International Farms Pty Ltd ("TIF") ("the Transaction") is fair and reasonable to non-associated shareholders ("Shareholders") of the Company.

TIL intends to acquire, subject to shareholder approval, a further 31% interest in TIH from Faustus Nominees Pty Ltd ("Faustus") thereby increasing its current shareholding in TIH from 49% to 80% and to acquire an 80% shareholding in TIF from Faustus. The consideration for the proposed Transaction will be the issue of 11,425,061 shares in TIL to Faustus to increase Faustus' shareholding in TIL from its current level of approximately 8.13% to approximately 32.5%.

Our Report is to be included in the Explanatory Memorandum for TIL to be sent to all Shareholders to assist them in deciding whether to accept or reject the Transaction.

2. SUMMARY AND OPINION

- 2.1 We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is **fair and reasonable** to Shareholders.
- 2.2 We believe that the Directors would be justified in recommending that Shareholders vote in favour of the Transaction.
- 2.3 In Section 13 we determined the value of a TIL share following the Transaction exceeds the value of a TIL share prior to the Transaction as detailed below.

	Value per Share	
	Low	High
Value of TIL Prior to the Transaction (Section 11)	1.03 cents	1.20 cents
Value of TIL Following the Transaction (Section 12)	1.25 cents	1.37 cents

The above pricing indicates that the Transaction is fair for Shareholders.

2.4 Reasonableness

We have considered the analysis in Section 15 of this report, in terms of the advantages and disadvantages of the Transaction.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
15.1.1	The Transaction is Fair	15.2.1	Dilution of existing Shareholders' interests
15.1.2	Entry into the aquaculture market and/or black tiger prawn industry	15.2.2	Change in business direction
15.1.3	Recovery of investment in TIH and the removal of already committed funding	15.2.3	Additional working capital required
15.1.4	Increased liquidity for TIL shares	15.2.4	Risks associated with TIF and TIH
15.1.5	Positive market reaction to the announcement of the Transaction		

In our opinion, the position of Shareholders if the Transaction proceeds is more advantageous than the position if the Transaction does not proceed. Accordingly, we believe that the Transaction is reasonable for Shareholders.

3. PROFILE OF TECHNOLOGY INCUBATION GROUP LTD

3.1 History

Formerly known as Whittle Technology Limited ("WTL"), the Company was established in 1984 specialising in selling or developing Mining Optimisation software. The Company also provided consultancy services, based on their unique technology, for the mining industry. The Company's mission was to "*successfully develop and market our high class optimisation and strategic planning solutions through the application of complex mathematical skills and advanced computer technologies.*" WTL listed on the Australian Stock Exchange ("ASX") on 20 October 2000.

On 12 December 2001, WTL acquired Icon Medialab Australia Holdings Pty Ltd ("Icon Medialab") and issued 1,333,334 ordinary shares at \$0.13 per share in consideration. The Icon group is involved in high-end web development.

During 2002, WTL experienced difficult market conditions which led to a number of its business areas providing poor levels of profitability. In view of its performance, WTL reviewed its various operations and the Directors of WTL believed that the disposal of poorly performing subsidiaries should reduce the performance trend and improve operating results.

On 15 January 2002, WTL disposed of 100% of its holding in Whittle Programming Pty Ltd for \$1.6 million cash, 1,440,000 shares in Gemcom Software International Inc ("Gemcom") and royalty based on revenue for future years.

The Company disposed of 100% of its holding in Whittle Consulting Pty Ltd for \$30,000 on 17 July 2002 and also sold 100% of its holding in Icon Medialab on 13 September 2002.

On 21 February 2002, the Company changed its name from "Whittle Technology Limited" to "WTL Limited" and then to "Technology Incubation Group Ltd" on 27 December 2002.

TIL has recently adopted a new business strategy, namely investing in pre-established businesses, where there is an opportunity to apply new innovative technologies. The proposed Transaction to increase TIL's shareholding in TIH and TIF is the start of TIL's new business strategy.

3.2 Recent Company Announcements

TIL announced to the public on 9 April 2003 its intention to increase its shareholding in TIH from 25% to 49%, which would occur simultaneously with TIH being given a commercial tiger prawn hatchery licence.

TIH was granted the Tiger Prawn Hatchery Licence on 13 May 2003. TIL consequently increased its shareholding in TIH to 49% and agreed to fund further commitments of TIH up to \$250,000.

On 30 June 2003 TIL announced that they were going to fund a full feasibility study into establishing a large-scale commercial tiger prawn production and export operation. The cost of this was estimated at \$350,000. On the same date, TIL also announced its intention to increase its shareholding in TIH and TIF to 80%. As part of the proposed transaction, Faustus will forgive all debts owed to it by TIH and TIF and TIL will issue new ordinary fully paid TIL shares to Faustus to increase Faustus' shareholding in TIL from its current level of approximately 8.13% to 32.5%.

3.3 Capital Structure

3.3.1 The current capital structure of TIL is as follows:

Ordinary Shares	18 August 2003
Total Ordinary Shares on Issue	31,587,330
Top Twenty Shareholders - Ordinary Shares	20,543,977
Top Twenty Shareholders - % of Ordinary Shares on Issue	65.04%

Source: Share Transfer Registry

3.3.2 The spread of TIL shareholders as at 18 August 2003 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	Shares	%
1-1,000	5	1,486	-
1,001-5,000	14	47,035	0.15
5,001-10,000	164	1,361,350	4.31
10,001-100,000	177	5,740,859	18.17
100,001 - and over	45	24,436,600	77.36
TOTAL	405	31,587,330	100.00

Source: Share Transfer Registry

3.3.3 The number of shares held by the substantial shareholders as at 18 August 2003 is detailed below:

Shareholder	Ordinary Shares	% Held
ANZ Nominees Limited	4,000,000	12.66
Resource Development Company Pty Ltd	3,145,218	9.96
Faustus Nominees Pty Ltd	2,566,939	8.13
Equity Underwriters Limited	2,190,187	6.93

Source: Share Transfer Registry

3.3.4 The exercise price of all unlisted options as at 18 August 2003 is as follows:

Options	Options	Exercise Price
Unlisted	8,533,334	\$0.25 on or before 30 June 2003 or at \$0.30 if exercised after that date

Source: Share Transfer Registry

3.3.5 The number of unlisted options held by the substantial shareholders as at 18 August 2003 is detailed below:

Option Holder	Number of Options	% Held
Jeffrey Whittle	2,297,390	26.92
Ruth Whittle	2,297,390	26.92
David Whittle	1,706,346	20.00
Resource Development Company Pty Ltd	853,333	10.00

Source: Share Transfer Registry

3.4 TIL - Historical Statements of Financial Position

TIL	Unaudited As at 30 June 2003 \$	Audited Consolidated As at 30 June 2002 \$	Audited Consolidated As at 30 June 2001 \$
CURRENT ASSETS			
Cash assets	459,907	1,085,377	1,953,876
Receivables	6,241	953,360	447,979
Plant and equipment	-	352,183	-
Inventories	-	63,996	-
Other financial assets	-	-	22,680
Other	4,354	59,375	37,518
TOTAL CURRENT ASSETS	470,502	2,514,291	2,462,053
NON-CURRENT ASSETS			
Receivables	125,000	-	-
Other financial assets	358,901	360,000	7,408
Plant and equipment	11,658	-	89,219
Intangible assets	-	-	1,884,561
Deferred tax assets	-	-	189,756
Other	-	-	448,564
TOTAL NON-CURRENT ASSETS	495,559	360,000	2,619,508
TOTAL ASSETS	966,061	2,874,291	5,081,561
CURRENT LIABILITIES			
Payables	164,595	1,440,958	198,835
Deferred revenue	-	171,859	208,135
Interest bearing liabilities	-	53,306	13,909
Provisions	-	196,101	72,370
TOTAL CURRENT LIABILITIES	164,595	1,862,224	493,249
NON-CURRENT LIABILITIES			
Interest bearing liabilities	-	-	1,232
Deferred tax liabilities	-	-	139,400
Provisions	-	-	15,102
TOTAL NON-CURRENT LIABILITIES	-	-	155,734
TOTAL LIABILITIES	164,595	1,862,224	648,983
NET ASSETS	801,466	1,012,067	4,432,578
EQUITY			
Contributed equity	4,071,732	4,071,732	4,287,598
Retained profits	(3,270,266)	(3,059,665)	144,980
TOTAL EQUITY	801,466	1,012,067	4,432,578

Source: Audited financial statements for the year ended 30 June 2002 and unaudited management accounts for the year ended 30 June 2003

3.5 TIL - Historical Statements of Financial Performance

TIL	Unaudited	Audited	Audited
	Year ended 30 June 2003 \$	Consolidated Year ended 30 June 2002 \$	Consolidated Year ended 30 June 2001 \$
Revenue from rendering of services	-	3,466,069	1,979,069
Other revenue from ordinary activities	-	2,286,431	115,377
Total Revenue	-	5,752,500	2,094,834
Employee expenses	-	3,150,061	533,809
Depreciation and amortisation expenses	-	357,935	288,046
Borrowing costs	-	15,649	10,100
Research and development expenses	-	-	36,205
Professional fees	302,981	562,274	60,850
Facilities	-	411,962	130,919
Travel and entertainment costs	9,941	107,302	41,949
Write off goodwill	-	656,070	48,149
Carrying value of subsidiary sold	-	2,612,123	-
Write-down in non-current assets	-	80,000	-
Fixed asset write-down	-	117,101	-
Selling expenses	-	169,347	556,115
Float related expenses	-	-	25,065
Other expenses from ordinary activities	13,352	717,321	260,729
Profit / (loss) from ordinary activities before income tax expense	(326,274)	(3,204,645)	102,898
Income tax expense relating to ordinary activities	-	-	42,082
Profit / (loss) from ordinary activities after related income tax expense	(326,274)	(3,204,645)	144,980

Source: Audited financial statements for the year ended 30 June 2002 and unaudited management accounts for the year ended 30 June 2003

4. PROFILE OF TIGER INTERNATIONAL HATCHERY PTY LTD

4.1 Background

TIH was incorporated on 25 October 2002. TIH plans to create a hatchery that can produce 100 million prawn larvae per annum. Its primary aim is to supply TIF with Black Tiger Prawn larvae and to sell surplus larvae to other Tiger Prawn farms that may start up in Western Australia.

On 13 May 2003, TIH was granted an Aquaculture licence by the Department of Fisheries in Western Australia for the culture of prawn larvae at a site in the Broome Tropical Aquaculture Park. A number of trials have been carried out and are still required before TIH is able to establish a hatchery in Western Australia. Should TIH establish the hatchery, it will be the first large scale, commercial black tiger prawn hatchery in Western Australia.

4.2 Capital Structure

TIH currently has 196 fully paid ordinary shares on issue as detailed below:

Shareholder	Ordinary Shares	% Held
Faustus Nominees Pty Ltd	100	51%
Technology Incubation Group Ltd	96	49%
TOTAL	196	100%

Source: Montt Capital Pty Limited

4.3 TIH - Historical Balance Sheet

TIH	Unaudited As at 30 June 2003 \$
CURRENT ASSETS	
Committed funds	200,000
Receivables	32,600
TOTAL CURRENT ASSETS	232,600
TOTAL ASSETS	232,600
CURRENT LIABILITIES	
Payables	232,500
TOTAL CURRENT LIABILITIES	232,500
TOTAL LIABILITIES	232,500
NET ASSETS	100
EQUITY	
Contributed equity	325,100
Accumulated losses	(325,000)
TOTAL EQUITY	100

Source: Management accounts for the period 25 October 2002 to 30 June 2003

4.4 TIH - Historical Profit and Loss Account

TIH	Unaudited For the period 25 October 2002 to 30 June 2003 \$
Revenue from ordinary activities	-
Cost of sales	-
Gross profit	-
Hatchery trial expenses	250,000
License application costs	75,000
Loss from ordinary activities before income tax expense	(325,000)
Income tax expense relating to ordinary activities	-
Loss from ordinary activities after related income tax expense	(325,000)

Source: Management accounts for the period 25 October 2002 to 30 June 2003

5. PROFILE OF TIGER INTERNATIONAL FARMS PTY LTD

5.1 Background

TIF was established as Tiger International NL on 8 March 2001 and changed its name to Tiger International Farms Pty Ltd and its status to a proprietary limited company on 28 February 2003.

Currently, TIF is in the process of establishing 300 hectares of ponds capable of raising tiger prawns and thereby become a recognised supplier of tiger prawns to the local and overseas markets. TIF has recognised that demand exceeds supply in the tiger prawn market and notes that this is likely to continue unless the wild prawn catch is supplemented by aquaculture.

5.2 Capital Structure

Faustus Nominees Pty Ltd holds all of the issued capital in TIF.

5.3 TIF - Historical Statements of Financial Position

TIF	Unaudited As at 30 June 2003 \$	Audited As at 30 June 2002 \$
CURRENT ASSETS		
Cash assets	24,631	24,247
Receivables	232,519	-
TOTAL CURRENT ASSETS	257,150	24,247
TOTAL ASSETS	257,150	24,247
CURRENT LIABILITIES		
Payables	40,905	1,417
Unsecured loan	-	108,879
Provisions	-	169
TOTAL CURRENT LIABILITIES	40,905	110,465
CURRENT NON-LIABILITIES		
Loans - Note 1	760,879	-
TOTAL NON-CURRENT LIABILITIES	760,879	-
TOTAL LIABILITIES	801,784	110,465
NET ASSETS	(544,634)	(86,218)
EQUITY		
Contributed equity	20	1
Accumulated losses	(544,654)	(86,219)
TOTAL EQUITY	(544,634)	(86,218)

Source: Audited financial statements for the year ended 30 June 2002 and unaudited management accounts for the year ended 30 June 2003

Note 1- A condition of the proposed transaction is that Faustus convert the loans made to TIF into share capital.

5.4 TIF - Historical Statements of Financial Performance

TIF	Unaudited Year ended 30 June 2003 \$'000	Audited Year ended 30 June 2002 \$'000
Consulting Services	325,000	-
Total Income	325,000	-
Borrowing costs expense	461	-
Other expenses from ordinary activities	782,974	86,219
Profit (loss) from ordinary activities before income tax expense	(458,435)	(86,219)
Income tax expense relating to ordinary activities	-	-
Net loss from ordinary activities after related income tax expense	(458,435)	(86,219)

Source: Audited financial statements for the year ended 30 June 2002 and unaudited management accounts for the year ended 30 June 2003

6. OVERVIEW OF THE AQUACULTURE INDUSTRY

TIH and TIF operate in the aquaculture industry, specialising in the farming of tiger prawns. TIH, in particular, is involved in establishing the first large scale commercial Black Tiger Prawn Hatchery in Western Australia. An outline of the aquaculture industry in Australia is set out below.

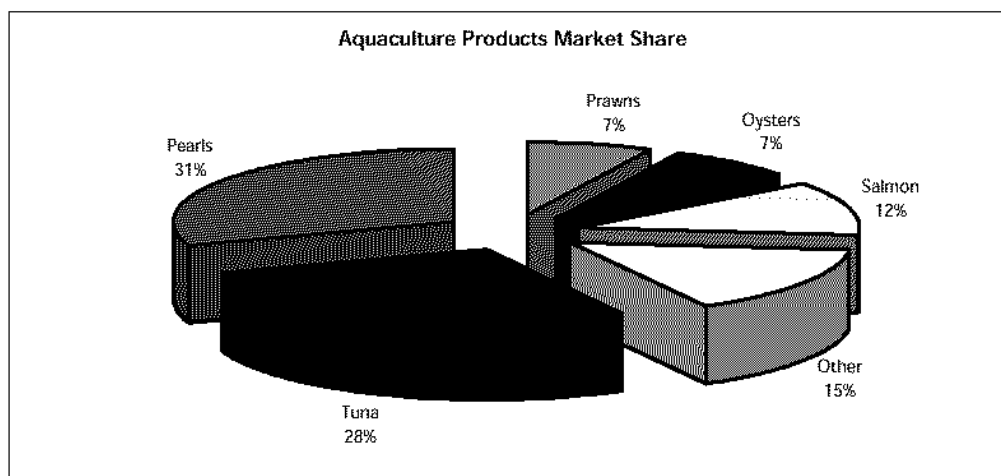
The Australian commercial aquaculture industry has only started to develop significantly since 1980. The industry was encouraged due to concerns about decreasing fish numbers. In 2001-2002 the industry generated turnover of \$797.7 million, an increase of approximately \$51.5 million from the previous year. This growth is expected to continue in coming years, culminating in an estimated industry turnover of \$1,127.7 million in 2007.

Australia's strict environment regulations have resulted in relatively clean water bodies and consequently the aquaculture products produced are of a very high quality. Of particular interest is the Western Australian Coastline, as the Tiger Prawns in that area are free from the viruses that affect prawns internationally and in the eastern states of Australia. Internationally, the aquaculture industry and specifically prawn farming has been fuelled by large demand, particularly from Western countries. Prawns are farmed in about 50 countries, the leading ten includes Thailand, China, Indonesia and Bangladesh.

Due to the nature and price of certain aquaculture products they are mainly consumed in restaurants. Therefore, the demand of these products is affected by the public's disposable income. The recent trend encouraging more healthy lifestyles has helped the aquaculture industry, as people are consuming more fish products instead of red meat. To gain a competitive advantage, the suppliers of aquaculture products need to produce superior products at competitive prices. The major companies in the aquaculture industry are as follows:

- M G Kailis Holdings Pty Ltd – involved in prawn fishing and processing, having the largest market share in the aquaculture industry of 13%.
- A Raptis & Sons Pty Ltd – has a 2.9% market share in the aquaculture industry and has invested in research toward the North West Shelf deep-water prawn fishery.
- Safcol Australia Pty Ltd – involved in the supply of Black Tiger Prawns, having a market share of 2.2% market share.

The major products in the aquaculture industry are pearls, tuna, salmon, oysters and prawns as shown in the chart below.



Source: IBIS World Pty Ltd

Aquaculture is still seen as a new industry that is in its initial growth stage. There are a number of factors contributing to the growth of this industry in Australia, namely:

- New technologies to improve husbandry practices and genetically improve species;
- Farming techniques where fish and other marine species are "farmed" or grown in controlled conditions which ensures the wild population of these species are still available for future generations; and
- Introduction of new products, especially value added products e.g. smoked salmon.

Australia's aquaculture industry, particularly the prawning sector is relatively small compared to other countries. Globally, the prawning industry alone is estimated at AUD\$9 billion a year, with the Australian prawn industry worth just an estimated \$70 million a year.

7. OUTLINE OF THE TRANSACTION

As outlined in the Notice of Meeting and the supporting Explanatory Memorandum the proposed transaction is summarised as follows:

TIL and Faustus have entered into an Acquisition Agreement which provides for:

1. the sale by Faustus to TIL of 61 TIH shares to increase TIL's shareholding in TIH from 49% to 80% of the entire share capital of TIH; and
2. the payment of \$61 by TIL to Faustus; and
3. the Loan Debt due by TIF to Faustus, which as at 30 June 2003 was \$760,879, being settled in full by the issue of 80 TIF shares to Faustus to convert the Loan Debt into equity and to release TIF from any liability to Faustus in respect of the Loan Debt; and
4. the sale by Faustus to TIL of 80 TIF shares to make TIL the holder of 80% of the entire issued share capital of TIF; and
5. the issue of 11,425,061 TIL shares to Faustus to increase the shareholding in TIL of Faustus and its associates from approximately 8.13% to 32.5% of the entire issued share capital of TIL immediately following that issue.
6. TIL committing to progressively fund all approved expenditure for the ongoing evaluation and establishment and operation of a large scale commercial prawn hatchery and prawn farming enterprise by TIH and TIF in consideration for TIL being released from all its expenditure commitments and other obligations under prior agreements with Faustus, TIH and TIF.

8. REPORT REQUIREMENTS

- 8.1 Via the application of Section 604 of the Corporations Act ("the Act") Section 606 of the Act expressly prohibits a person who already holds (with associates) 20% or below of the issued shares of a listed entity but because of the transaction, that person's shareholding in the listed entity increases to more than 20%.
- 8.2 Faustus currently hold 8.13% of the shares in TIL. If the Transaction is approved, Faustus will have the capacity to increase its shareholding in TIL to approximately 32.5%.
- 8.3 Section 611 permits an acquisition of shares in a listed entity by a person who already holds 20% or less if the shareholders of that entity have agreed to the issue of such shares. This agreement must be by resolution passed at a general meeting at which no votes are cast in relation to any party who is associated with the party to whom the shares are to be issued. Section 611 states that shareholders of the

Company must be given all information that is material to the decision on how to vote at the meeting.

8.4 Policy Statement 74 issued by the Australian Securities and Investments Commission ("ASIC") deals with "Acquisitions Agreed to by Shareholders". It states that the obligation to supply shareholders with all information that is material can be satisfied by the non-associated directors of TIL, by either:

- undertaking a detailed examination of the Transaction themselves, if they consider that they have sufficient expertise; or
- by commissioning an Independent Expert's Report.

The directors of TIL have commissioned this Independent Expert's Report to satisfy this obligation.

9. BASIS OF EVALUATION

9.1 In determining whether the Transaction is fair and reasonable, we have had regard to the views expressed by the ASIC in their Policy Statements 74 and 75. These Policy Statements suggest that an opinion as to whether transactions are fair and reasonable should entail consideration of all the circumstances of the Transaction.

Such consideration includes a comparison of the likely advantages and disadvantages for Shareholders if the Transaction is accepted, with the advantages and disadvantages to those Shareholders if it is not.

9.2 Having regard to both Policy Statements above, BDO has completed this comparison in two parts:

- A comparison between the value of a Company Share prior to the Transaction and the value of a Company Share following the Transaction (fairness – see Section 13 "Is the Transaction Fair?"); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness – see Section 15 "Is the Transaction Reasonable?").

9.3 The Transaction could be considered "reasonable" if there are valid reasons to approve the Transaction, notwithstanding that it may not be regarded as "fair" to Shareholders.

10. VALUATION METHODOLOGIES

10.1 Methodologies commonly used for valuing assets and businesses are as follows:

10.1.1 Capitalisation of future maintainable earnings ("FME")

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecast, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ("EBIT") or earnings before interest, tax, depreciation and amortisation ("EBITDA"). The capitalisation rate or "earnings multiple" is adjusted to reflect which base is being used for FME.

10.1.2 Discounted future cash flows ("DCF")

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

10.1.3 Asset Based Approach

An asset based valuation approach is usually appropriate when an asset or business is to be sold or wound up. Alternatively an asset based approach is appropriate when valuing a business that is not currently profitable and not likely to be in the foreseeable future. The asset based value should provide a realistic indication of the value that could be obtained in the event of an orderly realisation of assets.

10.1.4 Quoted Market Price Basis

Another alternative valuation approach that can be used in conjunction with (or as a replacement for) any of the above methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a "deep" market in that security.

10.2 Valuation Approach Adopted

10.2.1 TIL

TIL has not established a consistent profitable trend in operations (refer Section 3.5). TIL is also intending to change its business strategy from that of developing and selling optimisation and planning software for the mining industry to that of investing in pre-established businesses, where there is an opportunity to apply new innovative technologies. Therefore the adoption of the FME methodology is inappropriate. Instead, we have adopted the Asset Based approach to value TIL.

As TIL is listed on the ASX we have also used the Quoted Market Price as a supporting valuation for the Asset Based approach.

10.2.2 TIF and TIH

The tiger prawn hatchery and farming businesses to be carried out by TIH and TIF respectively are at a very early stage. In determining the value of TIF and TIH, we have considered a variety of primary valuation methodologies.

We have only been provided with preliminary cash flow projections for TIF and TIH. We have not been provided with detailed forecasts to allow us to value the companies on a discounted cash flow basis with any degree of reliability.

TIF and TIH are in a start up phase and both companies are not currently profitable as shown in Sections 4.4 and 5.4, hence we are unable to utilise the FME approach. Therefore, we have adopted the Asset Based approach to value TIF and TIH given the early stage of development of both companies.

11. VALUATION OF TIL PRIOR TO THE TRANSACTION

11.1 Valuation of TIL

As discussed in Section 10.2.1, for the purpose of valuing TIL, we have adopted an Asset Based approach.

The net assets of TIL have been reflected in our valuation as follows:

Item	Ref	Unaudited As at 30 June 2003 \$	Realisable value Low \$	Realisable value High \$
Assets				
Cash		459,907	459,907	459,907
Receivables	11.1.1	131,241	6,241	6,241
Investments	11.1.2	358,901	152,828	203,770
Plant and equipment	11.1.3	11,658	8,161	11,075
Other	11.1.4	4,354	-	-
Total assets		966,061	627,137	680,993
Liabilities				
Payables	11.1.5	164,595	102,972	102,972
Total liabilities		164,595	102,972	102,972
Net value of TIL		801,466	524,165	578,021

11.1.1 Receivables

Receivables as at 30 June 2003 largely comprise of a loan to TIF of \$125,000. Of this, \$75,000 was subsequently converted into equity in TIH when the farm-in agreement was concluded and TIL obtained a 25% interest in TIH. The balance of \$50,000 (representing the first tranche of the \$250,000 commitment referred to in Section 3.2) was paid by TIL on 24 June 2003 to acquire a further 24% interest in TIH. As such, we have excluded the \$125,000 loan from our valuation of receivables as the amount represents the cost of the 49% investment in TIH.

11.1.2 Investments

TIL currently holds 1,435,000 shares in Gemcom (a Canadian listed company) which had a book value of \$358,901 as at 30 June 2003. The market value of these shares is approximately \$203,770 based on the Canadian Stock Exchange share price of CAD\$0.13 (AUD\$0.142) as at 25 August 2003. We note that the share price of Gemcom has increased to CAD\$0.22 as at 27 August 2003. However, we do not believe that this properly reflects the value of Gemcom given that Gemcom has traded between CAD\$0.11 and CAD\$0.14 for the 2 months ending 26 August 2003.

At the low end of our valuation, we have reduced the market value of the Gemcom shares by a marketability discount as trading levels indicate that Gemcom shares have a relatively low level of liquidity indicating that the number of investors interested in buying the shares in question is low. The low liquidity of Gemcom shares also indicates that TIL may have difficulty in realising its investment in Gemcom on a timely basis.

In determining the level of marketability discount to apply, we considered the size of the holding in relation to normal trading volumes in Gemcom shares. TIL currently holds 1,435,000 shares in Gemcom which trade an average of 2,049 shares per day from 15 April 2003 to 22 July 2003. This would infer 700 days trading volume.

Based on a marketability discount of 25%, the value of TIL's shares in Gemcom amounts to \$152,828.

11.1.3 Plant and Equipment

At the low end of our valuation we have adopted a conservative view in regard to the recoverability of the Company's office equipment, as the assets have not been depreciated since acquisition. A discount of 30% has been applied to the book value recorded at 30 June 2003. At the high end we have deducted a 5% discount from plant and equipment.

11.1.4 Other Assets

For the purposes of our valuation, we have applied a discount of 100% to the face value of other assets which comprise prepayments as, in our opinion, there will not be any material value in respect of prepayments in the event of an orderly realisation.

11.1.5 Payables

Included in payables as at 30 June 2003 is an amount of \$30,000 payable to Whittle Technology and a loan of \$31,623 payable to Icon Medilab. The management of TIL confirmed that these loans are no longer payable. Therefore, we have excluded them from our valuation of payables.

11.2 Value of TIL's Investment in TIH

TIL currently has a 49% shareholding in TIH. As TIH is in the start-up phase of operations, in our opinion, the FME valuation methodology is inappropriate. As such, we have also adopted the Asset Based approach to value TIH pre-Transaction. Based on the net assets of TIH as at 30 June 2003 of \$100 (refer Section 4.3), we have assessed the value of TIL's investment in TIH to be \$49.

11.3 Value of Royalty

On 15 January 2002, TIL disposed of its 100% interest in Whittle Programming Pty Ltd for \$1.6 million cash, 1,440,000 shares in Gemcom and royalty based on revenue for future years (refer Section 3.1). The fair value of the consideration at the date of sale was \$2,157,822. As at the date of sale, the 1,440,000 shares in Gemcom had a fair value of \$440,000. This means that the royalty based on revenue for future years had an imputed fair value as at the date of sale of \$117,822. We have made enquiries as to the estimate of the current value of this income stream. Based on the fact that no income has yet been derived from this and the directors do not anticipate that to change in the foreseeable future, we have attributed no value to this.

11.4 Value of TIL's Commitment to TIH

On 13 May 2003, TIL announced that pursuant to an agreement with TIH, TIL will increase its shareholding in TIH from 25% to 49% by committing \$250,000 to the forthcoming semi-commercial trial to be conducted by TIH. As at 30 June 2003, TIL had paid \$50,000 (refer Section 11.1.1). Therefore, the balance of TIL's commitment to TIH is \$200,000 which is shown as committed funds in the balance sheet of TIH as at 30 June 2003 (refer Section 4.3).

11.5 TIL – Valuation Summary

Based on the above, we have assessed the value of a share in TIL to lie in the range of 1.06 cents to 1.25 cents as summarised below:

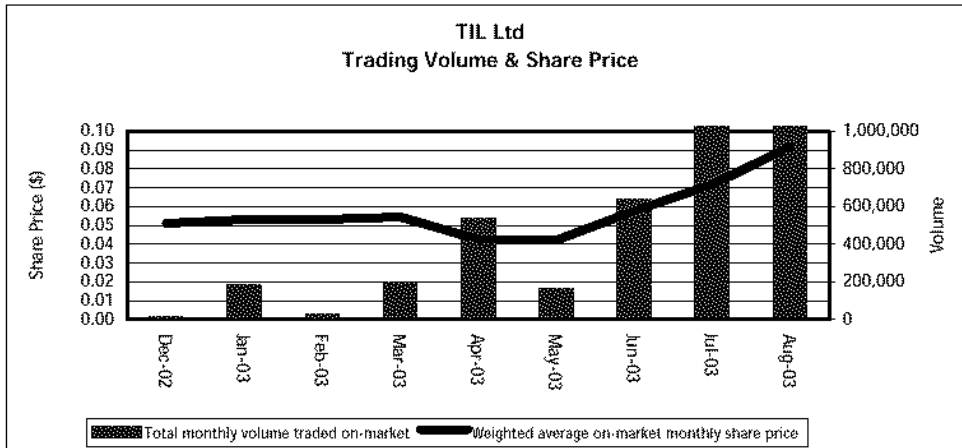
Item	Ref	Valuation Range	
		Low \$	High \$
Value of TIL	11.1	524,165	578,021
Value of TIL's 49% in TIH	11.2	49	49
Value of Royalty	11.3	0	0
Less: Value of TIL's commitment to TIH	11.4	(200,000)	(200,000)
		324,214	378,070
Number of ordinary fully paid shares on issue	3.3.1	31,587,330	31,587,330
Value of TIL per Share (cents)		1.03	1.20

As at 23 July 2003, TIL had on issue 8,533,334 unlisted options (refer Section 3.3.4). All of these options are "out of the money" compared to the share price as at 17 July 2003 of 7.1 cents and compared to our assessed value per TIL share as determined in Section 11.7. Since the options are currently out of the money, we have not assessed the value of TIL on a fully diluted basis.

11.6 Quoted Market Prices for TIL Securities

To provide a comparison to the valuation of TIL in Section 11.5, we have also assessed the market price for TIL shares.

The following chart provides a summary of the monthly average trading share prices and volumes in TIL shares over the past year.



Source: ASX

The daily price of TIL shares from 31 December 2002 to 27 June 2003 (last trading day prior to announcement of the Transaction) has ranged from a high of 6.0 cents on 23 June 2003 to a low of 4.1 cents on 14 May 2003.

The highest monthly volume of shares traded, prior to announcement of the Transaction, was in April 2003 with 530,000 shares being traded during the month. The highest volume trading day was on 16 April 2003 when 225,000 shares were traded.

Over the past 12 months, TIL shares have predominantly traded on volumes below 0.09% of the total shares on issue indicating that TIL's shares have a relatively low level of liquidity (refer Section 15.1.4). Low liquidity of a company's shares indicates that the number of investors interested in buying the shares in question is low which can often have a negative impact on the market price.

To provide further analysis of the market prices for TIL shares, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 27 June 2003 (i.e. the date prior to announcement of the Transaction).

TIL Price Per Share	27 June 2003 (cents)	10 Days (cents)	30 Days (cents)	60 Days (cents)
Closing Price	5.5			
Weighted Average		5.0	4.8	4.4

Source: ASX

The above weighted average prices are prior to the date of the announcement of the Transaction, to avoid the influence of any increase in price of TIL shares that has occurred since the Transaction was announced. The closing price at 30 June 2003 of 6.5 cents demonstrates the post announcement increase.

Our assessment is that a range of values for TIL shares based on market pricing, after disregarding for post announcement pricing from 30 June 2003, is between 4.5 cents and 5.5 cents.

11.7 Assessment of TIL Value

The results of the valuations performed are summarised in the table below:

Valuation	Value per TIL Share	
	Low (cents)	High (cents)
Asset Based approach (Section 11.5)	1.03	1.20
ASX market prices (Section 11.6)	4.5	5.5

Given the lack of significant and regular trading in the shares of TIL over the last 12 months, we consider that the market assessment of the value of the Company is not reliable. We therefore consider that the asset-based value as determined in Section 11.5 provides a more reliable indication of the value of TIL.

Based on the results above, in our opinion, the value of a TIL share is between 1.03 cents and 1.20 cents on a pre-Transaction basis.

12. VALUATION OF TIL AFTER THE TRANSACTION

The value of TIL upon the Transaction being approved has two principal components:

- the value of TIL (refer Section 11); and
- the value of TIL's 80% shareholding in TIF and TIH.

As discussed in Section 10.2.2, we consider that the Asset Based approach is the most appropriate method for assessing the value of TIF and TIH as the companies are in an early stage of development and are not currently profitable.

12.1 Valuation of TIF and TIH

The combined net assets of TIF and TIH have been reflected in our valuation as follows:

Item	Ref	Unaudited	Realisable
		As at 30 June 2003 \$	value \$
Assets			
Cash		24,631	24,631
Committed Funds	12.1.1	200,000	
Receivables	12.1.2	32,619	32,619
Total assets		257,250	57,250
Liabilities			
Payables		40,905	40,905
Loans	12.1.3	760,879	-
Total liabilities		801,784	40,905
Net value of TIF & TIH		(544,534)	16,345

12.1.1 Committed Funds

If the proposed transaction is approved TIL will be removed from the obligation to commit \$200,000 to TIH, hence for post-transaction valuation purposes we have removed this commitment from TIH as an asset and also removed it as a liability from the valuation of TIL.

12.1.2 Receivables

Receivables comprise mainly of GST that has been paid by TIH and is likely to be recoverable. Therefore, we have valued receivables at face value.

12.1.3 Loans

The loans advanced to TIF of \$760,879 have been excluded as Faustus has agreed to forgo those loans if the Transaction is approved.

If the Transaction is approved, TIL will have an 80% shareholding in both TIF and TIH. Based on the above net value of TIF and TIH of \$16,345, we have assessed TIL's investment in TIF and TIH to be \$13,075 following the Transaction.

12.2 Valuation of TIL After the Transaction - Summary

Based on the above, we have assessed the value of a TIL share after the Transaction to lie in the range of 1.25 cents to 1.38 cents as summarised below:

Item	Ref	Valuation Range	
		Low \$	High \$
Value of TIL	11.5	324,214	378,070
Add: Removal of commitment to TIH	12.1.1	200,000	200,000
Value of TIL's 80% interest in TIF & TIH	12.1	13,075	13,075
Value of TIL		537,289	591,145
Number of ordinary fully paid shares on issue		43,012,391	43,012,391
Value of TIL per Share (cents)		1.25	1.37

13. IS THE TRANSACTION FAIR?

The following table summarises our assessment of the value of a TIL share prior to the proposed Transaction compared to the value of a TIL share following the proposed Transaction. This assessment addresses whether or not the proposed Transaction is "fair" for shareholders.

	Section Ref.	Low Value per Share	High Value per Share
Prior to the Transaction	11.7	1.03 cents	1.20 cents
Following the Transaction	12.2	1.25 cents	1.37 cents

Based on the above, in our opinion the Transaction is fair to Shareholders.

14. OTHER CONSIDERATIONS

14.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the non-associated shareholders of TIL a premium over the value ascribed to that resulting from the Transaction.

14.2 Premium For Control

ASIC Policy Statement 74 requires that the expert give an opinion as to whether the proposed issue of shares will result in the Company receiving any premium for control. We have estimated the amount of any premium for control being paid by TIL as the amount by which the value of a TIL share if the Transaction is approved exceeds the value if the Transaction is not approved.

We have estimated the value of a TIL share to be between 1.25 cents and 1.37 cents if the Transaction is approved and between 1.03 cents and 1.20 cents if the Transaction is not approved. On this basis we have concluded that TIL would be paying a premium for control in the range of 0.17 cents and 0.22 cents per share.

15. IS THE TRANSACTION REASONABLE?

We have considered the position of Shareholders if the Transaction is approved and have taken into account the following advantages and disadvantages in this assessment.

We have assessed that in all cases the advantages and disadvantages of rejecting the Transaction are the inverse of accepting the Transaction. Thus for simplicity of evaluation of the Transaction we have set out the significant factors only in the context of accepting the Transaction.

15.1 Advantages of Accepting the Transaction

15.1.1 The Transaction is Fair

As shown in Section 13 we have assessed the Proposed Transaction to be fair to Shareholders. ASIC Policy Statement 75 states that "an offer is reasonable if it is fair".

15.1.2 Entry into the Aquaculture Market/Black Tiger Prawn Industry

If the Shareholders approve the Transaction, they will receive an investment in TIF and TIH which operate in the aquaculture industry, specialising in the farming of tiger prawns. Of particular importance, TIH has been granted an Aquaculture Licence which will assist TIH to establish a large-scale commercial Black Tiger Prawn Hatchery in Western Australia. We understand that globally, the black tiger prawn industry is worth an estimated AUD\$9 billion a year. This is seen as an advantage to Shareholders who wish to invest in the aquaculture market and/or the black tiger prawn industry at the early stage of its development.

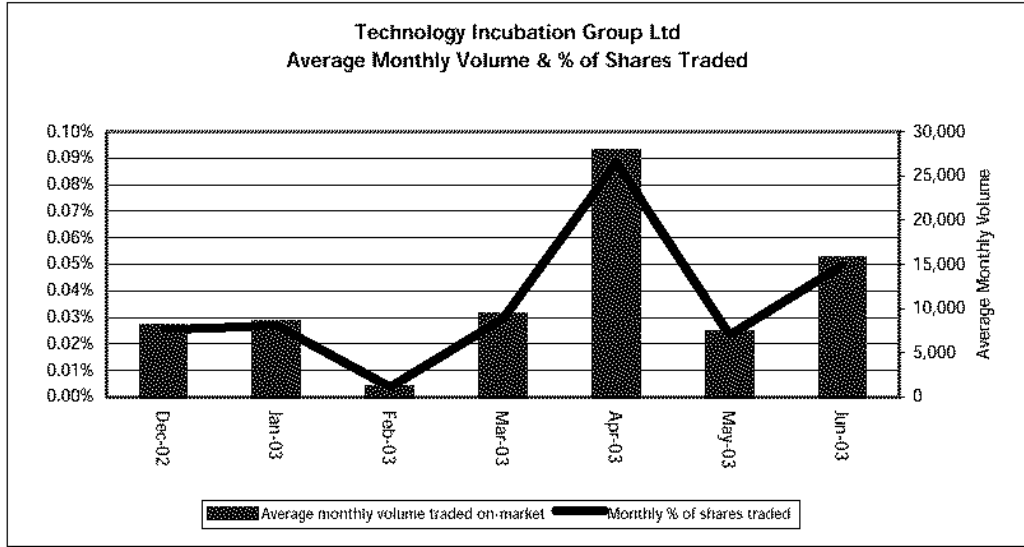
15.1.3 Recovery of Investment in TIH

To date, TIL has increased its shareholding in TIH to 49% by agreeing to fund further commitments of TIH capped at \$250,000 bringing TIL's total cost of investment to \$325,000 of which it is still committed to paying TIH \$200,000. If the Transaction is not approved and TIH and TIF are unable to secure satisfactory financing of the project, TIL's current investment of

\$125,000 is unlikely to be recoverable, and in addition TIL is still committed to the further funding of \$200,000.

15.1.4 Increased Liquidity for TIL Shares

The following table shows the percentage of TIL shares traded over the last twelve months, based on monthly averages.



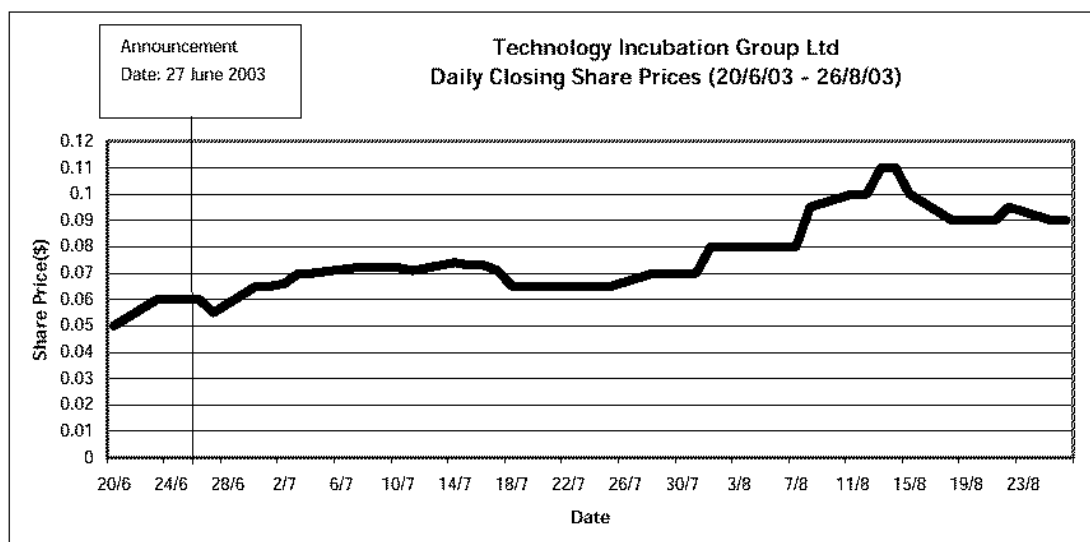
Source: ASX

Over the last 12 months, TIL shares have predominantly traded on volumes below 0.09% of the total shares on issue. Such trading levels indicate that TIL shares have a relatively low liquidity. Low liquidity of a company's shares can often have a negative impact on the market price as it indicates that the number of investors interested buying the shares in question is low. The low liquidity of TIL shares also indicates that the Shareholders may have difficulty in realising their investment in TIL on a timely basis.

If the Transaction is approved, TIL will be a larger sized entity with a larger number of shares on issue. All of these factors should contribute to an improvement in the liquidity of the Company's shares.

15.1.5 Market Reaction to the Announcement

The market reacted favourably to the initial announcement of the Proposed Transaction with the ASX market price of TIL shares increasing from 5.5 cents immediately prior to the announcement of the Transaction on 27 June 2003 to 9 cents on 26 August 2003 as shown in the graph below.



Source: ASX

15.2 Disadvantages of Accepting the Transaction

15.2.1 Dilution of Existing Shareholders' Interests

The interests of existing non-associated shareholders in the shares of TIL will be diluted if the Transaction is approved as 11,425,061 shares will be issued to Faustus which will increase Faustus' current shareholding in TIL from approximately 8.13% to 32.5%.

15.2.2 Change in Business Direction

TIL, formerly known as WTL, specialised in selling or developing Mining Optimisation software and provided consultancy services for the mining industry. If the Transaction is approved, TIL will be investing in pre-established businesses (i.e. TIF and TIH) where there is an opportunity to apply new innovative technologies. Such a change of direction for the Company may not suit the risk profile of existing shareholders of TIL.

Further, TIL has generated significant losses since 30 June 2001 (refer Section 3.5) and in accepting this Proposed Transaction, non-associated shareholders of TIL will be accepting the risk that TIF and TIH may not be able to generate the projected profits for TIL.

15.2.3 Additional Working Capital Required

If the Transaction is approved, TIL will be required to fund the expenditure for the ongoing evaluation, establishment and operation of a large-scale commercial prawn hatchery and farming enterprise. Therefore, additional working capital will be required to further develop TIF and TIH. This will increase the need to raise further equity or debt to fund the development of TIF and TIH. Therefore, the likelihood of further share issues diluting existing shareholders' interests is significantly increased.

15.2.4 Risks Associated with TIF and TIH

Being companies in the early stage of development, TIF and TIH are not without risk. Some of the risks associated with TIF and TIH are as follows:

- **Start Up Risk** – The TIF and TIH business is pre-established and needs to undergo further feasibility and significant capital expenditure before it becomes income generating.

Having completed significant research and development (costing approximately \$562,000 during the year ended 30 June 2003) and recently obtained an Aquaculture licence (costing approximately \$75,000 to obtain), the next stage is a pre-production feasibility study. This is expected to be undertaken in 2004 and is budgeted to cost \$350,000. In 2005, TIF and TIH expect to commence a significant capital expenditure programme estimated to cost approximately \$33 million by the end of 2007. Income is anticipated to begin in 2005 and is expected to reach full potential by the end of 2007.

- **New Business** – The tiger prawn hatchery and farming business to be carried out by TIH and TIF, respectively, is at a very early stage and highly speculative. The success of the TIF and TIH business is highly dependent on the outlay of significant capital expenditure and there is still no guarantee that TIF and TIH will be able to recoup the costs and become profitable in the future.
- **Funding** – The establishment of a tiger prawn hatchery and farming operation is an extremely expensive exercise as shown above. Although we understand that TIL anticipates to undertake a capital raising to fund production of the tiger prawns, there can be no guarantee that at some time in the future TIL will not require additional funding. TIL's ability to attract debt or equity funding will be dependent on the success of the TIF and TIH business at that date.

The risks associated with investing in TIF and TIH, if the Transaction is approved, is a significant disadvantage in the assessment of the reasonableness of the Transaction.

16. CONCLUSION

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is **fair and reasonable** to the non-associated shareholders.

17. SOURCES OF INFORMATION

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Memorandum on or about the date of this report;
- Audited financial statements of TIL and TIF for the year ended 30 June 2002;
- Management accounts of TIL, TIF and TIH for the year ended 30 June 2003;
- Cash flow projections of TIF and TIH from 2003 and future years;
- Industry report prepared by IBIS World Pty Ltd;
- Information in the public domain; and
- Discussions with Directors and Management of TIL and other information provided by them.

18. DISCLOSURE OF INTERESTS

BDO Consultants (WA) Pty Ltd is entitled to receive a fee for the preparation of this report. Except for this fee, BDO Consultants (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

In addition, BDO Consultants (WA) Pty Ltd has been indemnified by TIL in respect of any claim arising from BDO Consultants (WA) Pty Ltd's reliance on information provided by the TIL, including the non provision of material information, in relation to the preparation of this report.

Neither the two signatories to this report nor BDO Consultants (WA) Pty Ltd, have had within the past two years any professional relationship with TIL, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to TIL and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

19. QUALIFICATIONS

BDO Consultants (WA) Pty Ltd is wholly owned by BDO, a member of BDO International, which has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Consultants (WA) Pty Ltd holds an Investment Advisors Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes, and Matt Giles of BDO Consultants (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports within Australia.

20. DISCLAIMERS AND CONSENTS

This report has been prepared at the request of TIL for inclusion in the Explanatory Memorandum which will be sent to all TIL Shareholders.

BDO Consultants (WA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Consultants (WA) Pty Ltd.

BDO Consultants (WA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum other than this report.

BDO Consultants (WA) Pty Ltd has not independently verified the information and explanations supplied to us, nor has it conducted anything in the nature of an audit of TIL, TIH or TIF. However, we have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld.

The forecasts provided to BDO Consultants (WA) Pty Ltd by TIL and its advisers are based upon assumptions about events and circumstances that have not yet occurred. Accordingly, BDO Consultants (WA) Pty Ltd cannot provide any assurance that the forecasts will be representative of results that will actual be achieved. BDO Consultants (WA) Pty Ltd disclaims any possible liability in respect of these forecasts.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Consultants (WA) Pty Ltd has no obligation to update this report for events occurring subsequent to the date of this report.

Yours faithfully

BDO CONSULTANTS (WA) PTY LTD



Sherif Andrawes
Director



Matt Giles
Director

SHAREHOLDER PROXY FORM

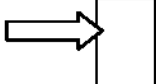
Holder Identification Number (HIN)

Appointment of Proxy

I/We appoint as proxy to vote in accordance with the following directions (or if no directions have been given, as the proxy or Chairman see fit) at the general meeting of the Company to be held at 12 Walker Avenue, West Perth 6005, Western Australia on 10 October 2003 at 11.00am (and at any adjournment thereof) (Meeting).

or

Name of person you are appointing (if not the meeting Chairman)

IF YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, PLEASE PLACE A MARK  IN THIS BOX *

*The Chairman currently intends to vote undirected proxies in favour of all resolutions. By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

	For	Against	Abstain*
Ordinary Resolution 1 Acquisition of TIH and TIF Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 2 Acquisition of greater than 20% of the voting power in the Company by Faustus Nominees Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 3 Issue of Shares by Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution 4 Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item.

Appointing a Second Proxy (if applicable)

Contact Telephone Number

or

 %

The number of shares applicable to this proxy form

The percentage of your voting rights

Area Code

Telephone Number

Signature(s)

Shareholder 1

Shareholder 2

Shareholder 3

Director

Director/Secretary

Sole Director and Secretary

Company Seal (if required)

Proxies may be lodged either by facsimile on (08) 9321 5884, by mail to PO Box 806, West Perth 6872, Western Australia or delivery to the registered office of the Company at 12 Walker Avenue, West Perth, Western Australia. To be valid, a proxy form must be received by at the registered office of the Company not less than 48 hours before the time appointed for the Meeting. For assistance in completing this form, please refer to the rear of this form.

INSTRUCTIONS FOR COMPLETION OF THE PROXY FORM

Shareholders Name & Address

This is the name and address of the shareholder as it appears on the Company's share register. For the purposes of this Meeting, shares will be taken to be held by those persons who are the registered holders thereof 48 hours before the time appointed for the commencement of this Meeting.

Appointment of Proxy

A shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two other persons (whether shareholders or not) as proxy or proxies to attend in the shareholder's place at the Meeting. The proxy has the same right as the shareholder to speak and vote at the Meeting. If you leave this section blank, the Chairman of the meeting will be your proxy to vote your shares even if you attend the meeting (unless you revoke your proxy before the meeting).

Vote on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the resolution/s you wish to direct your proxy to vote on. If you do so, all your shares will be voted in accordance with your direction. You can split your vote on any resolution/s by inserting the number/s of shares you wish to vote in the appropriate box/es. Please ensure you clearly mark the box in black or blue ink by placing a mark or the number of shares you are voting.

Appointing a Second Proxy

If a shareholder appoints two proxies and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes.

Contact Telephone Number

This will help us if there are any problems with your proxy form.

Signature(s)

Each shareholder must sign this form. If your shares are held in joint names, all shareholders must sign in the boxes. If you are signing as an Attorney, then the Power of Attorney must have been noted by the Company or be duly stamped and accompany this form. Only duly authorised officer/s can sign on behalf of a company. Please sign in the boxes provided which state the office held by the signatory.