

## Chairman's Update 6 June 2012

With the consent of shareholders holding more than 95% shares in the Company, the Shareholder's meeting was held on Tuesday May 29 in Sydney.

The following resolutions were passed unanimously:

Resolution 1 - Conversion of the Company's shares into a smaller number  
Every 9 shares have been consolidated into 1 share with effect from the close of the meeting.

Resolution 2 - Conversion to a Public Company and adoption of a Public Company Constitution

Resolution 3 - Director Remuneration Limits set to a maximum of \$250,000 per financial year

Resolution 4 - Appointment of Les Szonyi to the Board as Managing Director of Fertoz

Resolution 5 and 6 - Issue of Options to James Chisholm and Peter Bennetto respectively as follows:

- a) 2,000,000 Options with an exercise price of 25 cents each;
- b) 1,000,000 Options with an exercise price of 35 cents each;
- c) 1,000,000 Options with an exercise price of 45 cents each

Resolution 7 - Issue of Options to Les Szonyi as follows:

- a) 2,000,000 Options with an exercise price of 25 cents each;
- b) 2,000,000 Options with an exercise price of 35 cents each;
- c) 2,000,000 Options with an exercise price of 45 cents each
- d) 2,000,000 Options with an exercise price of 55 cents each.

We have now positioned Fertoz in preparation for listing later this year.

I welcome Les to the Board as a director.

We intend to strengthen Fertoz's Board with the addition of experienced directors.

Yours faithfully,  
**James Chisholm**  
**Chairman**