

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

**OPTIMA CORPORATION LIMITED**

ABN

**36 098 455 460**

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | <b>Convertible Notes</b>   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | <b>44</b>  |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <b>Conversion Price - the lower of 11c or the price at which the Company makes a placement between 1 January 2007 and 1 January 2010.</b><br><b>Conversion Dates – Notes may only be converted between 1 January 2008 and 1 January 2010.</b><br><b>Full terms and conditions are attached hereto.</b> |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p><b>No – Convertible Notes issued form a new class of security.</b></p> <p><b>Upon conversion of the Convertible Notes to shares, the shares will rank equally with the existing fully paid ordinary shares currently on issue.</b></p>						
<p>5 Issue price or consideration</p>	<p><b>\$25,000 each</b></p>						
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p><b>All funds have been applied towards the first tranche payment due and payable for the acquisition of Freedomotor Company Limited, as previously announced to ASX.</b></p>						
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p><b>1 January 2007</b></p>						
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1366 949 1411">Number</th> <th data-bbox="949 1366 1370 1411">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1411 949 1489" style="text-align: center;"><b>183,325,417</b></td> <td data-bbox="949 1411 1370 1489"><b>Ordinary fully paid shares.</b></td> </tr> <tr> <td data-bbox="686 1489 949 1590" style="text-align: center;"><b>10,955,000</b></td> <td data-bbox="949 1489 1370 1590"><b>Options exercisable at 20 cents each on or before 31 March 2007.</b></td> </tr> </tbody> </table>	Number	+Class	<b>183,325,417</b>	<b>Ordinary fully paid shares.</b>	<b>10,955,000</b>	<b>Options exercisable at 20 cents each on or before 31 March 2007.</b>
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<b>10,955,000</b>	<b>Options exercisable at 20 cents each on or before 31 March 2007.</b>						

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9	Number and +class of all +securities not quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	Number	+Class
		1,000,000	Class B Options exercisable at 20 cents each on or before 31 March 2008.
		1,000,000	Class C Options exercisable at 10 cents each on or before 30 June 2009.
		2,000,000	Class D Options exercisable at 20 cents each on or before 31 March 2007.
		44	Convertible Notes
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	<b>Not applicable.</b>	

## Part 2 - Bonus issue or pro rata issue

*Questions 11 to 33 – Not Applicable*

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

*Part 3 - Not Applicable*

*Questions 35 to 42 - Not Applicable*

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+ See chapter 19 for defined terms.

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**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

(Managing Director)

Date: **9 January 2007**

Print name:

**Blair Sergeant**

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+ See chapter 19 for defined terms.

**OPTIMA CORPORATION LIMITED**  
**ACN 098 455 460**

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**TERMS AND CONDITIONS OF CONVERTIBLE NOTE**

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**Blakiston & Crabb**  
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## **TERMS AND CONDITIONS OF CONVERTIBLE NOTE**

### **1. THE CONVERTIBLE NOTE ISSUE**

#### **1.1 Terms**

The Convertible Note will:

- (a) have a face value representing a principal amount of AUD\$25,000;
- (b) be issued to an investor who falls within one of the exemptions contained in section 708 of the Corporations Act from the general requirement set out in section 706 of the Corporations Act that the issue of securities to investors occur by way of a disclosure document;
- (c) bear interest as set out in clause 2;
- (d) be redeemed in accordance with clause 3; and
- (e) be convertible into Shares, as provided in clause 4.

#### **1.2 Voting**

The Convertible Note does not give the Noteholder the right to vote at a meeting of the members of the Company.

#### **1.3 Nature of Convertible Note**

The Convertible Note is unsecured.

#### **1.4 Withholding Tax**

- (a) All payments or credits to, or to the account of the Noteholder (including payment of, and credits in respect of interest) will be made net of any tax in respect thereof required by law to be withheld, deducted or paid by the Company except to the extent that the Company is satisfied that the Noteholder is exempt from any such tax or is a person in respect of whom any such withholding, deduction or payment is not required to be made. Any Noteholder claiming any such exemption or to be such a person will provide the Company with such evidence as the Company may from time to time require to satisfy itself as to the validity of such claim.
- (b) The Company may make any deduction or withholding from any amount payable to the Noteholder in respect of the Convertible Note for or on account of withholding or other tax required by law to be deducted or withheld, and, where any such deduction or withholding has been made and the amount thereof accounted for by the Company to the Commissioner of Taxation or other appropriate taxing authority and the balance of the amount payable has been paid to the Noteholder

concerned, the full amount payable to such Noteholder will be deemed to have been duly paid and satisfied by the Company.

### 1.5 **Entry in Register**

The Company must ensure that the Noteholder's details are entered in the Register.

### 1.6 **Noteholder Warranties**

The Noteholder warrants that it is a person who falls within one of the exemptions contained in section 708 of the Corporations Act from the general requirement set out in section 706 of the Corporations Act that the issue of securities to investors occur by way of a disclosure document.

## 2. **INTEREST**

### 2.1 **Interest Rate**

- (a) Interest will be payable on the Convertible Note at the rate of 8% per annum.
- (b) Interest will accrue daily on and from the Nominated Date through to the Maturity Date and will be paid on the Maturity Date, unless the Convertible Note is converted, in which case interest will accrue daily on and from the Nominated Date through to the Conversion Date and will be paid on the Conversion Date.

## 3. **REDEMPTION**

### 3.1 **Redemption**

- (a) The Convertible Note may be redeemed by written notice from the Company to the Noteholder during the period from 1 April 2007 until the Maturity Date provided the Noteholder has not elected to convert the Convertible Note.
- (b) The Convertible Note will be redeemed by the Company in the following circumstances:
  - (i) if the Noteholder has not elected to convert the Convertible Note by the Maturity Date; or
  - (ii) if an Event of Default occurs,

The redemption by the Company contemplated in both clause 3.1(a) and 3.1(b) shall be known as the "**Redemption Event**".

### **3.2 Repayment**

If a Redemption Event occurs the Company must pay to the Noteholder the amount referred to in clause 3.3 within 5 days of the notice of redemption, the Maturity Date or the Event of Default, as the case may be.

### **3.3 Timing of Redemption**

Where a Redemption Event occurs in accordance with clause 3.1, the Company will deliver to the Noteholder a cheque or draft in favour of the Noteholder or such other person as the Noteholder will have directed the Company in writing, for the Redemption Amount which includes the amount of any interest payment calculated in accordance with clause 2.1.

### **3.4 Exclusion**

The Noteholder will not be entitled to require redemption of the Convertible Note held by it otherwise than pursuant to this clause 3.

## **4. CONVERSION**

### **4.1 Conversion**

- (a) The Noteholder may elect to convert the Convertible Note at any time from the date being 12 months from the Nominated Date to the Maturity Date.
- (b) If the Noteholder elects to convert the Convertible Note the Noteholder shall provide the Company with a Conversion Notice to notify the Company that the Noteholder elects to convert the Convertible Note held by that Noteholder.
- (c) The Noteholder shall provide the Company with a Conversion Notice to notify the Company that the Noteholder elects to convert the Convertible Note held by that Noteholder.
- (d) If the Noteholder has elected to convert the Convertible Note in accordance with clause 4.1(a), the Company will proceed to issue and allot to the Noteholder that number of Shares as calculated in accordance with clause 4.2.
- (e) The issue and allotment of ordinary Shares as fully paid on conversion pursuant to this clause will be and be deemed for all purposes to be in full satisfaction and discharge of the Principal Amount and all unpaid interest accrued up to the Conversion Date owing to the Noteholder pursuant to the Convertible Note.
- (f) The Shares issued and allotted upon the conversion pursuant to this clause will rank equally in all respects with all issued ordinary shares in the capital of the Company at the Conversion Date.

- (g) Where the Convertible Note is converted the Company will make application for official quotation by the ASX of all Shares issued and allotted upon the conversion pursuant to this clause or as soon as reasonably practicable after Shares are so issued and allotted and the Company is admitted to the ASX.
- (h) Within 10 Business Days of the issue and allotment of Shares to the Noteholder upon the conversion pursuant to this clause, the Company will deliver to the Noteholder a shareholding statement in respect of the fully paid Shares so issued and allotted.
- (i) Within 3 Business Days of the issue and allotment of Shares to a Noteholder upon conversion pursuant to this clause, the Company must issue a notice pursuant to section 708A of the Corporations Act with respect to those Shares.

#### 4.2 **Conversion Rate**

With respect to the Principal Amount and all unpaid interest accrued, the Convertible Note converts into Shares at the lower of:

- (a) a deemed issue price of 11 cents each; and
- (b)  $S = \frac{A}{B}$

Where:

S= the number of Shares to be issued to that Noteholder;

A= the Principal Amount paid by that Noteholder; and

B= the Offer Price.

#### 4.3 **Conversion Date**

The conversion date of the Convertible Note means the date the Company issues Shares to the Noteholder who has elected to convert the Convertible Note.

#### 4.4 **No Other Rights of Conversion**

The Convertible Note will only be converted to Shares as set out in this clause 4.

#### 4.5 **Shares Allotted on Conversion**

The Shares to be allotted on conversion under these Conditions will be shares with respect to which no provision is made (whether by the Constitution or other instrument constituting or defining the constitution of the Company or otherwise) for changing or converting them into shares of another class, except for the purpose of enabling, in accordance with any law relating to companies,

the consolidation and division of all or any of the share capital of the Company or of another company or the subdivision of all or any of the shares in the capital of the Company or of another company.

#### **4.6 Reconstruction**

(a) If there is a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the basis for conversion of the Convertible Note set out in clause 4.2 will be reconstructed in the same proportion as the issued capital of the Company is reconstructed, and will be in a manner which will not result in any additional benefits being conferred on the Noteholder which are not conferred on the shareholders of the Company, (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital) but in all other respects the terms for conversion of the Convertible Note will remain unchanged.

(b) The adjustments in this clause 4.6 will be determined by the Company.

#### **4.7 Entitlement Issue**

If the Company undertakes a pro rata entitlement issue at any time during the period subsequent to the issue of the Convertible Note and prior to the Maturity Date and the Convertible Note has not been converted or redeemed, as the case may be, the Noteholder shall be entitled to participate in the issue by conversion of the Convertible Note prior to such record date set by the Company. The Company shall give the Noteholder at least 10 Business Days' notice of such record date to afford the Noteholder the opportunity to convert the Convertible Note for the purposes of participating in the issue.

### **5. BONUS SHARE ALLOTMENT**

If a bonus share allotment is made by the Company to its ordinary shareholders, at any time during the period subsequent to the issue of the Convertible Note to the Noteholder and prior to the Conversion Date, the Company will issue and allot to that Noteholder:

- (a) shares in the capital of the Company of the same class as the shares the subject of the bonus share allotment; and
- (b) the number of shares so issued will be equal to the number of shares in the capital of the Company to which that Noteholder would have been entitled, if the face value of the Convertible Note held by that Noteholder in respect of which a conversion of the Note occurred pursuant to clause 4.1 immediately prior to the making of the bonus share allotment,

on terms and conditions that are the same as or correspond with or are no more favourable to the Noteholder than the terms and conditions on which such shares are allotted to any ordinary shareholder of the Company.

## **6. FOREIGN HOLDERS**

Where the Convertible Note is held by or on behalf of a person resident outside Australia, then, but despite any other terms or conditions applicable to such Convertible Note, it will be a condition precedent to the right of the Noteholder to receive payment of any amount payable under these Conditions or to obtain shares on conversion that the requirements of all applicable laws of the Commonwealth of Australia or any of its States or Territories and of the country of residence of the Noteholder in respect of such payment or conversion are satisfied so that such payment or conversion will not result in a breach of any such applicable law by the Company.

## **7. CONVERSION TO VOTING SHARES PRECLUDED**

### **7.1 Breaches of Law**

Notwithstanding any other term of these Conditions, the Noteholder is not entitled to convert (and the Company is entitled to refuse to convert) the Convertible Note if the conversion would result in:

- (a) a person acquiring Voting Shares in the Company in breach of section 606 of the Corporations Act (or any equivalent provision); or
- (b) a person acquiring Shares where a notification being required to be sent to, or consent is required under, any legislation by which the Company and its Related Bodies Corporate are bound.

### **7.2 Statutory Declaration**

The Company may in its discretion require the Noteholder to provide a statutory declaration confirming that the circumstances referred to in clause 7.1 do not exist in respect of conversion by the Noteholder.

## **8. REGISTRATION OF TRANSFERS**

### **8.1 Transfer**

Subject to these Conditions and the Noteholder's compliance with Part 6D.2 of the Corporations Act, the Noteholder may transfer the Convertible Note that it holds by an instrument in writing in any usual form or in any other form that the directors of the Company approve.

### **8.2 Transfer Form**

In relation to the transfer of the Convertible Note the transfer form must be:

- (a) lodged at the Specified Office together with payment of any stamp duty, taxes or other governmental charges payable thereon; and
- (b) accompanied by such evidence as the Company may require to prove the title and identity of the transferor and the transferee, the right of

entitlement of the transferee to receive a transfer of the Convertible Note, the due execution of the transfer form and the due compliance and observance with all applicable laws and regulations of the Commonwealth of Australia and each State and Territory thereof.

### 8.3 **Recording Transfers**

The Company will promptly upon being satisfied with the transfer form, the information lodged therewith, the identity of the transferor and the transferee and the due compliance with such reasonable regulations as the Company may determine from time to time, accept the application contained in the transfer form by making an inscription in the Register recording the transfer of the Convertible Note.

### 8.4 **Registration**

On the inscription being made in the Register, the Company will recognise the transferee as the registered owner of the Convertible Note and as being entitled to the repayment of the Principal Amount and the payment of all interest in respect thereof and to all other rights vested in Noteholders under these Conditions. The transferor will for all purposes be and be deemed to be the registered owner of the Convertible Note until an inscription is made in the Register recording the transfer, the name and address of the transferee and the other matters required to be entered into the Register by the Company from time to time.

### 8.5 **Administration**

- (a) The Company will register the transfer of the Convertible Note notwithstanding that the transfer form to which the transfer relates has not been marked by the Company.
- (b) The Company will procure that all transfer forms which are registered will be retained by the Company for a period of 7 years after receipt but any transfer form which the Company declines to register will (except in the case of fraud or suspected fraud) be returned on demand to the person depositing the same.
- (c) The Company will not register the transfer of the Convertible Note on or after its Maturity Date.

### 8.6 **Directions**

- (a) Subject to these Conditions, and any conditions proposed by the Company at the time the Convertible Note is issued and any notations on the Register, the Company will comply with any payment or distribution direction made by a transferee:
  - (i) in an application for transfer of the Convertible Note on and from the time of registration of that transfer; and

- (ii) at any subsequent time in such form as the Company will from time to time determine.
- (b) A direction from any one or more joint holders of the Convertible Note will bind all the joint holders. If more than one direction is received from joint holders of the Convertible Note the direction of the senior is to be accepted to the exclusion of the other directions and for this purpose seniority is determined by the order in which the names appear in the Register in respect of the joint holding.

#### 8.7 **Transmission**

Subject to clause 7.1, a person becoming entitled to the Convertible Note as a consequence of the death or bankruptcy of the Noteholder or of a vesting order or a person administering the estate of the Noteholder may, upon producing such evidence as to that entitlement or status as the Company considers sufficient, transfer the Convertible Note or, if so entitled, become registered as the holder of the Convertible Note.

#### 8.8 **No Registration Fee**

Transfers will be inscribed in the Register without charge provided taxes or other governmental charges (if any) imposed in relation to the transfer have been paid.

#### 8.9 **Non-Registration of Third Party Interests**

The Convertible Note will be registered by name only and without reference to any trusteeships. Any entry in the Register of the name and address of the Noteholder and the amount owed to the Noteholder is conclusive evidence of title subject to rectification for fraud or error.

#### 8.10 **Person registered**

The person registered as the Noteholder of the Convertible Note will be treated by the Company as the absolute owner of the Convertible Note. The Company will not, except as ordered by a Court or as required by statute, be obliged to take notice of any claim to the Convertible Note. Entry in the Register of the name and address of the Noteholder and the one Convertible Note held by the Noteholder is conclusive evidence of title subject to rectification for fraud or error.

### 9. **DEFINED TERMS**

The following words and phrases have these meanings in the Conditions unless the contrary intention appears:

"**ASX**" means Australian Stock Exchange Limited;

"**Business Day**" means a day on which banks are open for general banking business in Perth, other than a Saturday or a Sunday or public holiday and which is also a Business Day for the purposes of the Listing Rules;

"**Company**" means Optima Corporation Limited ACN 098 455 460;

"**Conditions**" means the terms and conditions applicable to the Convertible Note;

"**Constitution**" means the Constitution of the Company;

"**Conversion Date**" has the meaning set out in clause 4.3;

"**Conversion Notice**" means the notice provided by the Noteholder to the Company during the period between the Nominated Date and the Maturity Date and stating that the Noteholder elects to convert the Convertible Note held by the Noteholder;

"**Convertible Note**" means the convertible note issued by the Company under these Conditions which is outstanding;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Event of Default**" each of the following events is an Event of Default:

- (a) (**unremedied default in payment**) if the Company makes default in the payment of the Redemption Amount, any interest payable on the Convertible Note or any other moneys payable to the Noteholder under these Conditions and that default continues unremedied by the Company for a period of 7 days after demand for those moneys is made by the Noteholder;
- (b) (**unremedied material breach**) if the Company commits a material breach of a covenant, condition or obligation imposed on it by these Conditions and that breach has not been remedied within 21 days of receiving notice of the breach from the Noteholder requiring that breach to be remedied;
- (c) (**winding up**) if an order is made for the winding-up or dissolution of the Company or a resolution is effectively passed by the Company for the winding up or dissolution of the Company (otherwise than for the purpose of a reconstruction or amalgamation which has the prior written consent of the Noteholder);
- (d) (**insolvency**) if the Company is or becomes unable to pay its debts when they are due within the meaning of the Corporations Act or is presumed to be insolvent under the Corporations Act;
- (e) (**receiver**) a receiver, receiver and manager, trustee, administrator, other Controller (as defined by the Corporations Act) or similar official is appointed over any of the assets or undertaking of the Company and is not removed within 10 Business Days; and
- (f) (**deregistration**) a notice under section 601AB of the Corporations Act is given to, or an application under section 601AA is made by, or in respect of the Company;

- (g) **(incorrect statement or representation)** a statement, representation or warranty made by or on behalf of the Company in connection with the Convertible Note is untrue, incorrect or misleading in a material respect when made or repeated;
- (h) **(third party default)** the holder of any security given at any time over any assets of the Company becomes entitled to exercise any powers arising on default pursuant to that security or otherwise take action to enforce that security; or
- (i) **(finance)** a person who has provided credit or financial accommodation to the Company becomes entitled to accelerate any obligation of the Company to pay money to that person;

**"Listing Rules"** means the official Listing Rules of ASX from time to time with any modification or waivers in their application to the Company which ASX may grant;

**"Maturity Date"** in relation to a Convertible Note means the first to occur of:

- (a) a Conversion Date; or
- (b) 1 January 2010;

**"Moneys Owning"** means the Principal Amount and any interest payable on the Convertible Note and any other moneys payable to the Noteholder (including damages) under or in respect of the Convertible Note and, in relation to the Noteholder, means that portion of those moneys which is owing to that Noteholder;

**"Nominated Date"** means the date the Convertible Note is issued to the Noteholder;

**"Noteholder"** in relation to a Convertible Note means the person entered in the Register as the holder of the Convertible Note;

**"Offer Price"** means the placement price per Share struck by the Company in any placement undertaken by the Company (if any) between the Nominated Date and the Maturity Date. In the event the Company undertakes more than one placement, the placement price that shall be applied is the weighted average price per Share struck by the Company in each such placement;

**"Principal Amount"** means the principal amount outstanding from time to time under the Convertible Note;

**"Redemption Amount"** of the Convertible Note means the face value of the Convertible Note plus interest which has accrued but which has not become due, plus unpaid interest up to the date of redemption of the Convertible Note;

**"Redemption Event"** means an event specified in clause 3.1;

**"Register"** means a register of the holder of the Convertible Note;

**"Related Bodies Corporate"** has the meaning given to that term in the Corporations Act;

**"Share"** means a fully paid ordinary share in the capital of the Company;

**"Specified Office"** means the registered office of the Company or such other office advised by the Company to the Noteholder from time to time; and

**"Voting Share"** has the meaning given to that expression in section 9 of the Corporations Act.