

OPTIMA CORPORATION LIMITED
ACN 098 455 460

**NOTICE OF GENERAL MEETING AND
EXPLANATORY STATEMENT AND
PROXY FORM**

For a General Meeting to be held on
Tuesday, 14 June 2005 at 10.00am (WST) at
The Celtic Club, 43 Ord Street, West Perth, Western Australia

This is an important document. Please read it carefully.

If you are unable to attend the General Meeting, please complete the Proxy Form enclosed and return it in accordance with the instructions set out on the Proxy Form.

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

A General Meeting of the shareholders of Optima Corporation Limited will be held at:

**The Celtic Club
43 Ord Street, West Perth
Western Australia**

**Commencing at
10.00am
on Tuesday, 14 June 2005**

How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 10.00am.

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of General Meeting as soon as possible and either:

- send the Proxy Form by facsimile to the Company on facsimile number (08) 9382 1322 (International: +618 9382 1322); or
- deliver or post the Proxy Form to the principal office of the Company at Level 1, 189 Hay Street, Subiaco, Western Australia,

so that it is received by no later than 48 hours before the commencement of the meeting.

Your Proxy Form is enclosed.

OPTIMA CORPORATION LIMITED
ACN 098 455 460

NOTICE OF MEETING

Notice is given that a General Meeting of shareholders of Optima Corporation Limited (**Optima or Company**) will be held at The Celtic Club, 43 Ord Street, West Perth, WA at 10.00am (WST) on Tuesday, 14 June 2005.

AGENDA

The Explanatory Statement that accompanies and forms part of this Notice (**Explanatory Statement**) describes the matters to be considered at this meeting.

SPECIAL BUSINESS

Resolution 1 – Issue of Options to Mr Jeffrey Pool, a Director of the Company

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

"Pursuant to section 208 of the Corporations Act 2001 and Listing Rule 10.11 of the ASX Listing Rules, the Company approve and authorise the issue of up to 1,000,000 Options for no issue price to Mr Jeffrey Pool, a Director of the Company, or his nominee on the terms and conditions set out in Annexure A attached to the Explanatory Statement accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on Resolution 1 by Mr Pool and any associate of Mr Pool.

Resolution 2 – Issue of Options to Mr Robert Michael Leshner, a Director of the Company

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

"Pursuant to section 208 of the Corporations Act 2001 and Listing Rule 10.11 of the ASX Listing Rules, the Company approve and authorise the issue of up to 1,000,000 Options for no issue price to Mr Robert Michael Leshner, a Director of the Company, or his nominee on the terms and conditions set out in Annexure A attached to the Explanatory Statement accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on Resolution 2 by Mr Leshner and any associate of Mr Leshner.

Resolution 3 – Increase in Non-Executive Directors' Fees

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

"In accordance with clause 13.7 of the Company's Constitution and for the purposes of Listing Rule 10.17 of the ASX Listing Rules, that the fixed sum for remuneration for ordinary services of Non-Executive Directors of the Company be increased by \$45,000 per annum from \$75,000 per annum to \$120,000 per annum being the maximum aggregate sum that may be paid to Non-Executive Directors of the Company."

Voting Exclusion: The Company will disregard any votes cast on Resolution 3 by a Director of the Company and by any associate of a Director of the Company.

Resolution 4 - Ratification of the Issue of Shares

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

"For the purposes of Listing Rule 7.4 of the ASX Listing Rules, shareholders ratify and approve the issue of 10,955,500 fully paid ordinary shares at an issue price of 10 cents each made on 22 March 2005 to the parties and on the terms and conditions set out in the Explanatory Statement that forms part of this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on Resolution 4 by any of the persons who participated in the issue the subject of Resolution 4 and any associate of any of those persons.

Resolution 5 - Approval of Issue of Options

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

"That, for the purposes of Listing Rule 7.1 of the ASX Listing Rules and all other purposes, the shareholders of the Company approve an issue of 10,955,500 options to acquire fully paid ordinary shares for no issue price to the sophisticated and professional investors who participated in the placement of shares on 22 March 2005, the subject of Resolution 4, on the terms and conditions set out in Annexure A attached to the Explanatory Statement that forms part of this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on Resolution 5 by any of the persons who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associate of any of those persons.

DATED THIS 26TH DAY OF APRIL 2005
BY ORDER OF THE BOARD

Anthony Ho
Director and Company Secretary

NOTES:

1. A shareholder of the Company who is entitled to attend and vote at a general meeting of shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, 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 it is cast by the person chairing the meeting as 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. For the purposes of the meeting, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the meeting. The snapshot date is 5.00pm (WST) on Sunday, 12 June 2005.

EXPLANATORY STATEMENT

This Explanatory Statement and all attachments are important documents. They should be read carefully.

GENERAL INFORMATION

This Explanatory Statement has been prepared for the shareholders of Optima Corporation Limited (**Optima or Company**) in connection with the general meeting of the Company to be held at 10.00am on Tuesday, 14 June 2005.

THE RESOLUTIONS

1. RESOLUTIONS 1 AND 2 - ISSUE OF OPTIONS TO MR JEFFREY POOL AND MR MICHAEL LESHER, DIRECTORS OF THE COMPANY

Shareholder approval is being sought in Resolutions 1 and 2 to issue:

- (a) 1,000,000 Options to Mr Jeffrey Pool, a Director of the Company, or his nominee; and
- (b) 1,000,000 Options to Mr Michael Lesher, a Director of the Company, or his nominee,

for no issue price. Each Option is exercisable by the payment of 20 cents on or before 31 March 2007. The terms and conditions of the Options to be issued to Mr Pool and Mr Lesher are set out in Annexure A to this Explanatory Statement.

Mr Pool is a respected former sales manager for several leading US footwear and clothing firms. He has a proven record in achieving substantial increases in brand sales within the clothing and footwear industries. Mr Pool has gained extensive experience in hiring, organising and revitalising sales teams.

Mr Lesher has extensive experience in the surfing and leisure products industry in the USA. He spent 14 years as the Director of Sales for Billabong U.S.A., and has also worked with Quiksilver USA and Lord-Babcock Inc. between 1975 and 1983. Mr Lesher has served recently as the Chief Executive Officer for the Surf, Skate and Snow aggregator company Fusion International Partners. Mr Lesher was previously the Chief Executive Officer for Counter Culture Clothing, a boutique surf clothing company in California.

Reasons for Issuing 1,000,000 Options to each of Mr Pool and Mr Lesher

The issue of Options is designed to encourage the recipient to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

The qualifications and experience of Mr Pool and Mr Lesher are noted above and the other Directors believe they have added, and will continue to add, considerable value to the Company.

Under the Company's current circumstances, the disinterested Directors consider that the incentives to Mr Pool and Mr Lesher, represented by the issue of these Options, are a cost effective and efficient reward and incentive, as opposed to alternative forms of incentive, such as the payment of cash compensation. The disinterested Directors are of the view that it is far better for Mr Pool and Mr Lesher to be compensated by way of securities in the Company, rather than by way of additional cash payments.

The number of Options to be issued to Mr Pool and Mr Lesher has been determined based

upon a consideration of:

- **The remuneration of the Directors:** - The Directors wish to ensure that the remuneration offered is competitive with market standards and, where appropriate, based upon performance hurdles. The Directors have generally reviewed a selection of comparable companies to determine market conditions generally and consider the proposed number of Options to be issued will ensure that the Directors' overall remuneration is in line with market standards.
- **Services to the Company:** - Having regard to the Directors' specialised qualifications and experience in the industry and market that the Company operates in, the Board considers that the issue of Options constitutes valid consideration for services to the Company by each Director: -
 - (i) Mr Pool was appointed as a Director on 3 March 2005; and
 - (ii) Mr Leshar was appointed as a Director on 13 July 2004.
- **Incentive:** - The proposed number of Options to be issued is deemed by the Directors to be an incentive to Mr Pool and Mr Leshar, to ensure the continuity of service of Directors who have extensive knowledge of the Company and its business activities and assets, and to secure Mr Pool and Mr Leshar's ongoing commitment and dedication to the continued growth of the Company.

The Directors have determined the exercise price in light of the recent price of Shares in the Company. In this regard, in the 12 month period before the date of this Notice of Meeting, the highest price of Shares was 27.5 cents on 19 October 2004 and 4 November 2004 and the lowest price was 9.9 cents on 12 April 2005. The latest available closing price prior to the date of the Notice of Meeting was 11 cents on 22 April 2005. In respect of the 2,000,000 Options to be issued to the Directors, the exercise price of \$0.20 is 72% above the weighted average closing share price (11.6 cents) on ASX over the 5 trading days preceding the date of this Notice of Meeting.

In the event the Options are exercised, the following amounts will need to be paid to the Company by the Directors: -

| <u>Director</u> | <u>Amount to be paid</u> |
|-----------------------|--------------------------|
| Jeffrey Pool | \$200,000 |
| Robert Michael Leshar | \$200,000 |

The Company will therefore receive \$400,000 from the Directors should all the Options to be issued to them are exercised.

RELATED PARTY TRANSACTIONS GENERALLY

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

1. the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
2. prior shareholder approval is obtained to the giving of the financial benefit.

Related Party Transactions

It is the view of the Directors that the exceptions under the Corporations Act to the provision of a financial benefit to a related party may not apply in the current circumstances. Accordingly, shareholder approval pursuant to Chapter 2E of the Corporations Act is required for the issue of Options to Mr Pool and Mr Leshar.

For the purposes of Chapter 2E of the Corporations Act the following information is provided.

The related party to whom the proposed resolution would permit the financial benefit to be given

The Options will be issued to Mr Jeffrey Pool and Mr Michael Leshner, or their nominated parties.

The nature of the financial benefit

The proposed financial benefit is:

- (a) the issue to Mr Pool of 1,000,000 Options, for no issue price; and
- (b) the issue to Mr Leshner of 1,000,000 Options, for no issue price.

Directors' recommendation

For the reasons noted above the Directors wish to make the following recommendations about Resolutions 1 and 2:

(i) **Resolution 1:**

| Directors | Recommendation |
|--|---|
| Blair Sergeant Jong Kan Foo Anthony Ho Robert Michael Leshner | The Directors, who do not have a material personal interest in the outcome of Resolution 1, recommend shareholders vote in favour of Resolution 1, as the Options are considered by the Directors to provide a cost effective means of giving an incentive to Mr Pool to advance the Company's interests in accordance with the directions given from time to time by the Board of Directors. |
| Jeffrey Pool | Mr Jeffrey Pool declined to make a recommendation about Resolution 1 as he has a material personal interest in the outcome of that particular resolution as it relates to the proposed issue of Options to him individually. |

(ii) **Resolution 2:**

| Directors | Recommendation |
|--|--|
| Blair Sergeant Jong Kan Foo Anthony Ho Jeffrey Pool | The Directors, who do not have a material personal interest in the outcome of Resolution 2, recommend shareholders vote in favour of Resolution 2, as the Options are considered by the Directors to provide a cost effective means of giving an incentive to Mr Leshner to advance the Company's interests in accordance with the directions given from time to time by the Board of Directors. |
| Robert Michael Leshner | Mr Leshner declined to make a recommendation about Resolution 2 as he has a material personal interest in the outcome of that particular resolution as it relates to the proposed issue of Options to him individually. |

Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers.

- (a) If approved, the resolutions will have the effect of giving power to the Directors to issue 1,000,000 Options to Mr Jeffrey Pool, and 1,000,000 Options to Mr Robert Michael Leshner (or their nominees).
- (b) The Company's advisers have valued the Options using the Black-Scholes Option Pricing Model ("BSModel"), which is the most widely used and recognised model for

pricing options. The acceptance of this model is due to its derivation being grounded in economic theory. The value of an option calculated by the BSMModel is a function of a number of variables. Their assessment of the value of the Options has been prepared using the following variables:

- the price of the underlying Share is 11 cents, which was the closing price on 22 April 2005, being the day the valuation was conducted;
- the exercise price is 20 cents;
- the Option term is until 31 March 2007;
- a volatility factor of 71% based upon the Company's Share price since 1 February 2005 (which was after confirmation on 31 January 2004 that the acquisition of West Suits Pty Ltd would not proceed); and
- a risk free interest rate of 5.71%, as at 22 April 2005.

In deriving the valuation the BSMModel relies upon the following assumptions:

- that the Options are American call options (ie. they can be exercised at any time during the period);
- there are no transaction costs, Options and Shares are infinitely divisible, and information is available to all without cost;
- short selling is allowed without restriction or penalty;
- the risk free interest rate is known and constant throughout the duration of the Option contract;
- the underlying Shares do not pay a dividend; and
- Share prices behave in a manner consistent with a random walk in continuous time.

Using the abovementioned variables the BSMModel calculates the value of the Options to be \$0.02611 each, giving a total value of:

- (i) \$26,109.96 to Mr Pool; and
- (ii) \$26,109.96 to Mr Leshner.

Any change in the variables applied in the BSMModel between the date of the valuation and the date the Options are issued would have an impact on their value.

- (c) The Directors' base salaries and fees per annum (neither of the Directors receive superannuation) and the total benefit to be received by them in the current financial year ending 30 June 2005, as a result of the issue of Options the subject of Resolutions 1 and 2, are as follows:

| <u>Director</u> | <u>Base salary p. a.</u> <u>(AU\$)</u> | <u>Value of Options</u> <u>(AU\$)</u> | <u>Total Financial</u> <u>Benefit (AU\$)</u> |
|---------------------------|---|--|---|
| Jeffrey Pool | 31,015.77 (\$US24,000) | 26,109.96 | 57,125.73 |
| Robert Michael Leshner | 31,015.77 (\$US24,000) | 26,109.96 | 57,125.73 |

- (d) If the Options are issued to Mr Pool and Mr Leshner and subsequently exercised, the effect would be to dilute the shareholdings of the existing shareholders by approximately 2.32% (based on the number of Shares on issue at the date of this Notice of Meeting, being 84,089,251 Shares).
- (e) As at the date of this Notice of Meeting, the Directors have the following interests in securities in the company:

| Director | Shares | Options |
|------------------------|---------------|----------------|
| Jeffrey Pool | Nil. | Nil. |
| Robert Michael Leshner | 173,000 | Nil. |

- (f) The market price of the Shares during the term of the Options will normally determine whether or not the option holder exercises the Options. If, at the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, Shares are trading on ASX at a price which is higher than the exercise price of the Options, there may be a perceived cost to the Company.
- (g) The Options will **not** be quoted on ASX at this time.
- (h) The following table gives details of the highest, lowest and latest price of the Company's Shares trading on the ASX over the past 12 months ending on 22 April 2005:

| Highest Price | Date of Highest Price | Lowest Price | Date of Lowest Price | Latest Price on 22 April 2005 |
|----------------------|------------------------------|---------------------|-----------------------------|--------------------------------------|
| 27.5 cents | 19/10/04 04/11/04 | 9.9 cents | 12/04/04 | 11 cents |

- (i) The Options are capable of being converted to Shares by payment of the exercise price.
- (j) Under the Company's current circumstances, the disinterested Directors consider that the incentive to Mr Pool and Mr Leshner which would be represented by the Options would be a cost-effective and efficient incentive for the Company to provide, as opposed to alternative forms of incentives.
- (k) The disinterested Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in issuing the Options to Mr Pool and Mr Leshner pursuant to Resolutions 1 and 2.
- (l) Neither the Directors nor the Company are aware of any other information that would be reasonably required by shareholders to make a decision in relation to the financial benefits contemplated by Resolutions 1 and 2.

Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval for the issue of securities to a related party of the Company. As Mr Pool and Mr Leshner are related parties of the Company, shareholder approval under Listing Rule 10.11 is sought for the issue of Options to them.

The following information is provided to shareholders for the purposes of Listing Rule 10.13:

1. the number of Options to be issued under Resolution 1 is 1,000,000;
2. the number of Options to be issued under Resolution 2 is 1,000,000;
3. the Options will be issued within one month of the date of the meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
4. the Options will be issued as incentive options hence will attract no issue price;
5. the allottees are Mr Pool and Mr Leshner or their nominated parties;
6. the terms and conditions of the Options are set out in Annexure A to this Explanatory Statement; and
7. no funds will be raised from the issue of the Options.

If approval is given for the issue of the Options to Mr Pool and Mr Leshar under Listing Rule 10.11, approval is not required under Listing Rule 7.1. Shareholders should note that the issue of Options to Mr Pool and Mr Leshar will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

The Directors acknowledge that the issue of Options to Mr Pool and Mr Leshar, who are both Non-Executive Directors, is contrary to Recommendation 9.3 of the ASX Corporate Governance and Best Practice Recommendations, which provides that companies should “clearly distinguish the structure of non-executive directors’ remuneration from that of executives”. The Guidelines provide that non-executive directors should not receive options. However, for the reasons outlined in this Explanatory Statement, the disinterested Directors consider the issue of Options to be appropriate in the circumstances.

2. RESOLUTION 3 - INCREASE IN NON-EXECUTIVE DIRECTORS’ FEES

An increase in the maximum annual aggregate fees that can be paid to Non-Executive Directors is sought from the existing limit of \$75,000 per annum, approved by shareholders on 5 November 2001, to a new limit of \$120,000 per annum.

In considering this increase in the Non-Executive Directors’ fees, shareholders are asked to consider the following.

a) Additional Non-Executive Directors may be Appointed

In line with good corporate governance, the Directors regularly review the composition of the Board, the expanding workload and the skill sets required of Directors. The new limit will allow Optima to appoint additional Directors if required, and pay fees at levels that are comparable to companies of Optima’s size.

b) Increase in Number of Directors

The fee of \$75,000 per annum for Non-Executive Directors was approved by shareholders at the time of the listing of Optima on ASX. At that time the Board comprised of four Directors of which two were Non-Executive Directors. Since then, the Board of Directors has expanded to five members, of which four are Non-Executive.

3. RESOLUTION 4 - RATIFICATION OF THE ISSUE OF SHARES

On 22 March 2005 the Company issued a total of 10,955,500 Shares at an issue price of 10 cents each to certain sophisticated and professional investors. Subject to shareholder approval of Resolution 5, the investors who participated in the placement will be issued 10,955,500 free attaching Options (on a 1:1 basis) exercisable at 20 cents each on or before 31 March 2007.

The Company seeks shareholder approval to ratify the issue of the Shares pursuant to ASX Listing Rule 7.4. Listing Rule 7.4 enables the shareholders of a company to ratify an issue of securities provided that the issue did not breach the 15% restriction contained in Listing Rule 7.1.

If the issue is ratified by this resolution then the Company will be entitled to issue further securities in accordance with the terms and restrictions of ASX Listing Rule 7.1.

For the purpose of Listing Rule 7.5, the following information is provided:

1. A total of 10,955,500 Shares were issued.
2. The Shares were issued at 10 cents each.
3. The Shares issued were ordinary fully paid shares and rank equally in all respects with the existing ordinary fully paid shares in the capital of the Company.

4. The securities issued under the placement were issued to sophisticated investors in accordance with section 708(8) of the Corporations Act, professional investors within the meaning of sections 9 and 708(11) of the Corporations Act, and persons coming under categories described in section 708(10) of the Corporations Act.
5. The issue of the 10,955,500 Shares raised \$1,095,500 for the ongoing development of the US market for the Company's WEST and Creatures of Leisure products, and general working capital, before costs.

4. RESOLUTION 5 - APPROVAL OF ISSUE OF OPTIONS

Resolution 5 seeks shareholder approval for the issue of 10,955,500 Options to the sophisticated and professional investors who participated in the placement of Shares on 22 March 2005, the subject of Resolution 4. The exercise price of the Options is 20 cents each and the Options may be exercised on or before 31 March 2007. The Company will apply for official quotation of these Options on ASX.

To enable Optima to retain the flexibility to make further issues of up to 15% of its issued capital in the next 12 months, Resolution 5 seeks shareholder approval for the purposes of ASX Listing Rule 7.1. ASX Listing Rule 7.3 requires the following information to be disclosed for shareholders to approve an issue of securities:

- (a) the maximum number of securities to be issued is 10,955,500 Options;
- (b) the issue of the Options will take place no later than three months after the date of the meeting convened by this Notice of Meeting and it is anticipated that allotment will occur on date of the meeting;
- (c) the Options referred to in Resolution 5 will be issued for no issue price;
- (d) the Options will be issued to the sophisticated and professional investors who participated in the placement of Shares on 22 March 2005, the subject of Resolution 4;
- (e) the Options will be issued on the terms and conditions set out in Annexure A to this Explanatory Statement; and
- (f) no funds will be raised from the issue of the Options.

Directors' recommendation

The Board believes that refreshing the Company's ability to issue securities within the 15% limit is in the best interests of the Company, thereby maintaining its flexibility to make placements of securities without seeking shareholder approval if the need or opportunity arises. Accordingly, the Board recommends shareholders vote in favour of Resolution 5.

5. ENQUIRIES

Shareholders are invited to telephone the Company on (08) 9382 1311 if they have any queries in respect of the matters set out in these documents.

Glossary

ASX means Australian Stock Exchange Limited.

Company or Optima means Optima Corporation Limited (ACN 098 455 460).

Corporations Act means Corporations Act 2001 (Cth).

Directors means the Directors of the Company.

Listing Rules means the Listing Rules of ASX.

Notice of Meeting means the notice of meeting which accompanies this Explanatory Statement.

Option means an option to acquire one Share exercisable at \$0.20 each, on or before 31 March 2007, on the terms and conditions set out in Annexure A to this Explanatory Statement.

Shares means fully paid ordinary shares in the capital of the Company.

ANNEXURE A

TERMS AND CONDITIONS OF OPTIONS

1. Each Option shall entitle the holder the right to subscribe (in cash) for one (1) Share in the capital of the Company.
2. The Options will expire at 5.00pm WST on 31 March 2007. Subject to Clause 6 hereof, Options may be exercised at any time prior to the expiry date and Options not so exercised shall automatically expire on the expiry date.
3. Each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects *pari passu* with the existing Shares in the capital of the Company on issue at the date of allotment.
4. A registered owner of an Option ("Option Holder") will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.
5. Subject to any restrictions on the transfer of Options that may be imposed by the ASX in circumstances where the Company is listed on the ASX, Options are transferable at any time prior to the expiry date.
6. Method of Exercise of Options
 - (a) The Company will provide to each Option Holder a notice that is to be completed when exercising the Options ("Notice of Exercise of Options"). Options may be exercised by the Option Holder completing the Notice of Exercise of Options and forwarding the same to the Secretary of the Company to be received prior to the expiry date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted, which number of Options must be a multiple of 2,500 if only part of the Option Holder's total Options are exercised, or if the total number of Options held by an Option Holder is less than 2,500, then the total of all Options held by that Option Holder must be exercised.
 - (b) The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of 20 cents (\$0.20) per Share.
 - (c) Subject to Clause 6(a) above hereof, the exercise of less than all of an Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.
 - (d) Within 14 days from the date the Option Holder properly exercises options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.
 - (e) If the Company is listed on ASX, the Company will within three (3) business days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of ASX.
 - (f) The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules of ASX, the timetable outlined in the Listing Rules shall apply.
7. In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.
8. There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be at least 7 business days after such new issues are announced (or such other date if required under the

Listing Rules of ASX) in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.

9. There are no rights to change the exercise price or the number of underlying Shares.

PROXY FORM

APPOINTMENT OF PROXY
OPTIMA CORPORATION LIMITED
ACN 098 455 460

GENERAL MEETING

I/We,

being a member of Optima Corporation Limited entitled to attend and vote at the Meeting, hereby

appoint

Name of Proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at The Celtic Club, 43 Ord Street, West Perth, Western Australia on Tuesday, 14 June 2005 at 10.00am (WST) and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

Voting on Business of the General Meeting

| | FOR | AGAINST | ABSTAIN |
|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 - Issue of Options to Mr Jeffrey Pool | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 - Issue of Options to Mr Robert Michael Leshner | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 - Increase in Non-Executive Directors' Fees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 - Ratification of Issue of Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 - Approval of Issue of Options | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If you do **not** wish to direct your proxy how to vote, please place a mark in this box

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 the interest. The Chairman will vote in favour of all of the resolutions if no directions are given.

YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM WILL BE DISREGARDED.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

Signed this day of 2005

By:

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature

Director/Company Secretary

Signature

Director

Signature

Sole Director and Sole Company Secretary

OPTIMA CORPORATION LIMITED
ACN 098 455 460

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) and (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) and (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.