



OPTIMA
Corporation Limited

28 July 2005

Mr Nicholas Ong
Companies Adviser
Australian Stock Exchange Limited
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

by facsimile: 08 9221 2020

Dear Sir,

We refer to your letter dated 28 July 2005 regarding the Company's Appendix 4C for the quarter ended 30 June 2005 and respond to it in the order of the matters raised:

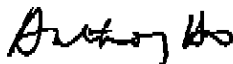
1. As advised in our ASX announcements during the year, the Company's principal activity is the marketing and development of WEST and Creatures of Leisure in the USA, where the Company acts as licensee for these surf brands. The Company is in the early phase of the development of this business. During the year ended 30 June 2005, significant costs were incurred in the establishment of a sales and logistics infrastructure and team in California. A large part of this investment is non-recurrent.

In addition, the launch of our activities required funding of an initial inventory build-up. As noted in the recent market update (lodged with ASX on 18 July 2005), revenue is now beginning to flow and receipts from sales is starting to replenish working capital. As noted in the Quarterly Market Update, the Company has current inventories of approximately \$1,600,000 (at wholesale price) and trade receivables of \$400,000.

2. The Company does not expect to have negative operating cash flows similar to that reported in the 30 June 2005 Quarterly Report. The Company is currently reviewing a number of financing alternatives for its activities including the establishment of a debtors factoring facility in the United States.
3. The Company confirms that it is in compliance with ASX Listing Rule 3.1.
4. The Company confirms that it is in compliance with ASX Listing Rule 12.2.

Please do not hesitate to contact us if further information is required.

Yours sincerely,



Blair Sergeant
Managing Director



ACN 098 455 460

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SUBIACO WA 6008

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**ASX**

AUSTRALIAN STOCK EXCHANGE

FAXED
28 July 2005

Anthony Ho
Company Secretary
Optima Corporation Limited
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SUBIACO WA 6008

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ABN 98 008 624 691
Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

GPO Box D187
Perth WA 6840

Telephone 61 (08) 9224 0017
Facsimile 61 (08) 9221 2020
Internet <http://www.asx.com.au>

Dear Anthony

Optima Corporation Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 30 June 2005, released to Australian Stock Exchange Limited ("ASX") on 26 July 2005 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from customers of \$356,000.
2. Net negative operating cash flows for the quarter of \$658,000.
3. Cash at end of quarter of \$639,000.

In light of the information contained in the Appendix 4C, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, the Company may only have sufficient cash to fund its activities for another quarter. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
4. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

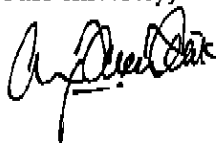
This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 5.00 p.m. W.S.T. today, 28 July 2005.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries regarding any of the above, please contact me on 9224 0017.

Yours sincerely,



Nicholas Ong
Companies Adviser