



Level 37 Riverside Centre 123 Eagle Street BRISBANE QLD 4000
Fax: +61 7 3832 3234 Telephone: +61 7 3221 0679

22 January 2007

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Re: Share Placement

We wish to advise that the Company has raised a total of \$204,800 through a private placement of 4,742,600 new ordinary shares (TSR) to a number of sophisticated investors.

It is advised that the capital raised will be used to develop and commercialise the Company's technologies, develop the Mantuan Downs bentonite resource and to provide the Company with working capital.

We wish to give notice for the purpose of section 708A(5)(e) of the Corporation Act 2001 that:

- The new ordinary shares were issued without disclosure to investors under Part 6D.2 of the Corporations Act 2001;
- TechStar Limited has complied with relevant provisions of Chapter 2M of the Corporations Act 2001 and section 674 of the Corporations Act 2001 as they apply to the Company; and
- The company has no excluded information with the meaning of sections 708(A)(7) and 708(A)(8) of the Corporations Act 2001.

Please contact the Company Secretary if you have any queries in relation to this placement.

Yours faithfully

TECHSTAR LIMITED

A handwritten signature in black ink, appearing to read 'Michael J Ilett', written over a horizontal line.

Michael J Ilett
Company Secretary