

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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

VRI BioMedical Limited

ABN

97 084 464 193

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 | Options convertible into ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 5,000,000 options |
| 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) | Options for ordinary shares exercisable at \$0.25c each on or before 30 th June 2006 |

+ 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"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes, the options will rank equally with the Bonus Options to be issued pursuant to the disclosure document lodged with ASIC on 28th July 2004</p> <p>Shares issued upon exercise of the Options will rank equally with existing ordinary shares.</p> <p>Options do not give rise to an entitlement to participate in dividends.</p> <p>The exercise price of Options (\$0.25) and the expiry date (30 June 2006)</p>								
<p>5 Issue price or consideration</p>	<p>Nil</p>								
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>As part consideration for arranging the placement of 21m shares to institutional and sophisticated investors as approved by shareholders at a general meeting held on 12th July 2004</p>								
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>12th August 2004</p>								
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table> <tr> <th>Number</th><th>+Class</th></tr> <tr> <td>104,973,127</td><td>VRI – Ordinary fully paid shares</td></tr> <tr> <td>34,543,372</td><td>VRIO – Options expiring 6/3/06 exercisable at 75c</td></tr> <tr> <td>25,994,625</td><td>VRIOA – Options expiring 30/6/06 exercisable at 25c</td></tr> </table>	Number	+Class	104,973,127	VRI – Ordinary fully paid shares	34,543,372	VRIO – Options expiring 6/3/06 exercisable at 75c	25,994,625	VRIOA – Options expiring 30/6/06 exercisable at 25c
Number	+Class								
104,973,127	VRI – Ordinary fully paid shares								
34,543,372	VRIO – Options expiring 6/3/06 exercisable at 75c								
25,994,625	VRIOA – Options expiring 30/6/06 exercisable at 25c								

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	1,900,000	VRIAK – Options expiring 23/11/06 exercisable at 75c
	300,000	VRIAM – Options expiring 13/6/07 exercisable at 75c
	980,000	VRIAO – Options expiring 13/10/05 exercisable at 50c
	300,000	VRIAS – Options expiring 22/8/07 exercisable at 75c
	750,000	VRIAP – Options expiring 14/1/08 exercisable at 75c
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Bonus issue or pro rata issue

- | | |
|---|---|
| 11 Is security holder approval required? | <div style="border: 1px solid black; height: 25px; width: 100%;"></div> |
| 12 Is the issue renounceable or non-
renounceable? | <div style="border: 1px solid black; height: 25px; width: 100%;"></div> |
| 13 Ratio in which the +securities will be
offered | <div style="border: 1px solid black; height: 25px; width: 100%;"></div> |
| 14 +Class of +securities to which the offer
relates | <div style="border: 1px solid black; height: 25px; width: 100%;"></div> |
| 15 +Record date to determine entitlements | <div style="border: 1px solid black; height: 25px; width: 100%;"></div> |
| 16 Will holdings on different registers (or
sub-registers) be aggregated for
calculating entitlements? | <div style="border: 1px solid black; height: 25px; width: 100%;"></div> |

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|----|--|--|
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders | |
| 25 | If the issue is contingent on ⁺ security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do ⁺ security holders sell their entitlements <i>in full</i> through a broker? | |

+ See chapter 19 for defined terms.

31 How do ⁺security holders sell *part* of their entitlements through a broker and accept for the balance?

32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?

33 ⁺Despatch date

Part 3 - Quotation of securities

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

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☒ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☒ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38 Number of securities for which ⁺quotation is sought

⁺ See chapter 19 for defined terms.

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39 Class of ⁺securities for which quotation is sought

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40 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and ⁺class of all ⁺securities quoted on ASX (*including* the securities in clause 38)

Number	⁺ Class

⁺ See chapter 19 for defined terms.

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:

Company secretary

Date: 30 July 2004

Print name: Paul B Magoffin

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