

Chairman's Address

Investments

The Company has only one investment remaining - Sensear

Sensear continues to progress its commercialisation activities and has recently commenced supplying Motorola, one of the world's largest communication equipment companies, with its SENS technology for use in a new range of Motorola wireless headsets. This achievement validates the world-class nature of Sensear's technology and accelerates the company's penetration of key markets via the agreement with Motorola. The company was also successful in obtaining a \$1.63m Commercialisation Australia Grant from the Federal Government to focus on the development and launch of two new products targeting the respirator and explosive gas applications in the earplug format. The company has also implemented a wide-ranging review of its operations and has successfully implemented a range of cost-cutting measures ensuring maximum financial runway to continue with its growth plans. At the same time, recruitment efforts are underway to identify and recruit a new US-based CEO as well as additions to the Sensear Board of Directors of seasoned international executives with relevant experience and backgrounds.

With the expected rapid ramping up of revenues through initiatives such as the Motorola supply agreement and other pending agreements as well as new additions to the executive team an opportunity to exit our holding at a reasonable valuation may arise in the medium term.

Future Prospects

The Company has been shown a number of opportunities in which to invest. All of these would require the Company to raise additional capital and shareholder approval. Whilst there has been no decision made as to which offers the best opportunity for existing shareholders, the directors are confident that a proposal will be put to shareholders in the near term. This may involve the disposal of the investment in Sensear earlier than anticipated above, and potentially at a lower valuation. The Board will weigh the benefits of a revitalised company and share price against a lower realisable value for Sensear very carefully.

Operations

The Board would like to thank the Company Secretary, Baden Bowen, for ensuring that the operating costs of the Company (registry, audit, administration) have been kept to an absolute minimum.

19 November 2013