



June 17, 2005

Companies Announcements Office
Australian Stock Exchange Ltd
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir:

EMPLOYEE SHARE OPTION PLAN

Medec Limited advises that it plans to introduce an Employee Share Option Plan and proposes to grant 3,000,000 options over shares to directors and senior executives, allocated as to 2,000,000 options to directors and 1,000,000 options to senior executives, exercisable at a price of \$0.20 (twenty cents) at any time with an expiry date of 30 June 2007.

The granting of the options to directors will be subject to the approval of shareholders at the Annual General Meeting scheduled for November 2005.

Yours faithfully

Lloyd A Halvorson
Company Secretary

MEDEC Limited

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