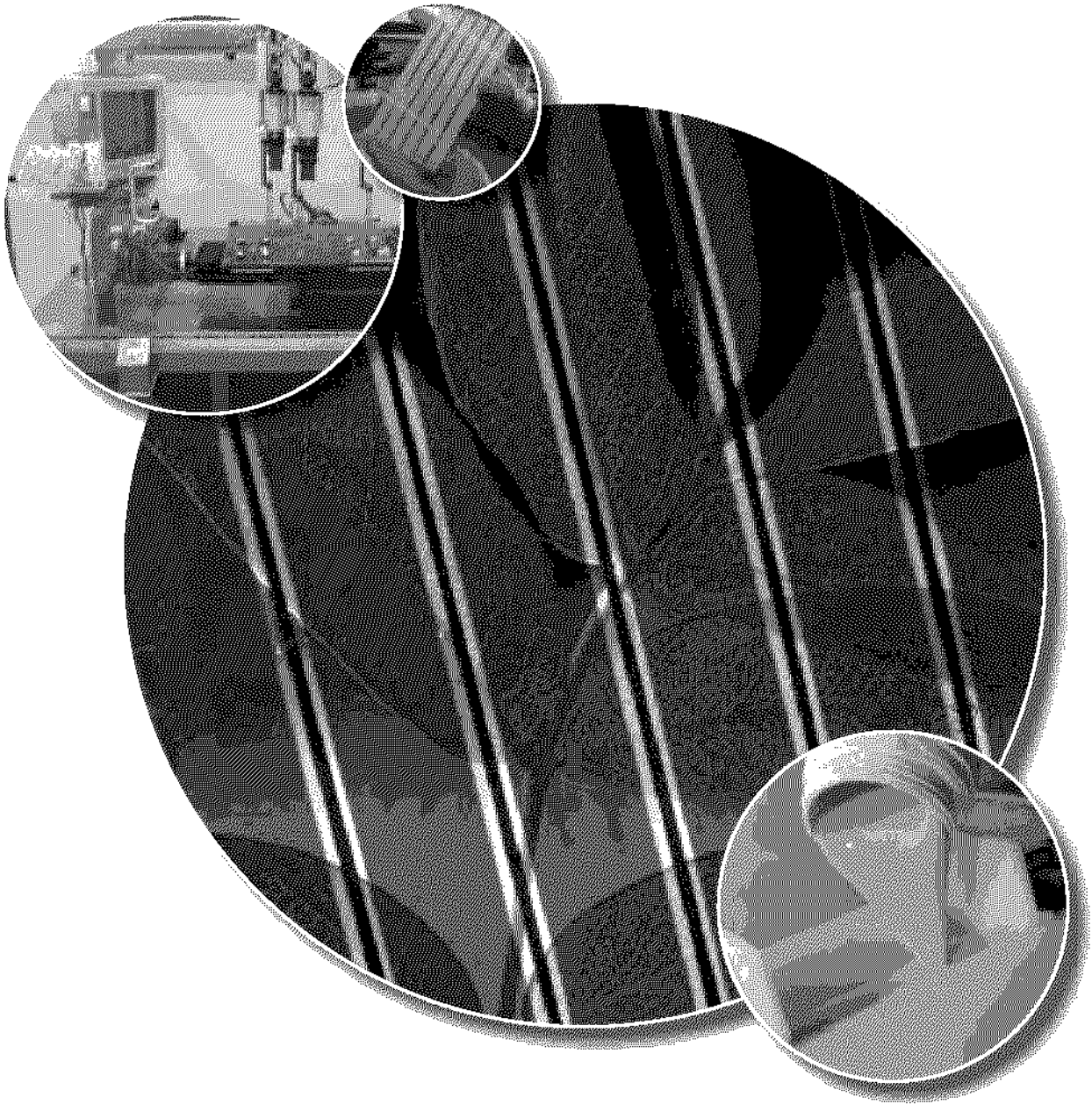


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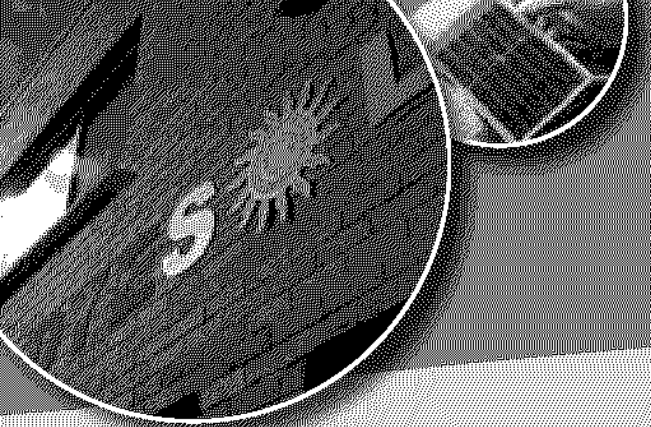
L I M I T E D

ACN 111 723 883



Prospectus Prospectus

A prospectus for the issue of up to 17,500,000 fully paid ordinary shares at an issue price of 20 cents each to raise up to \$3,500,000.



DIRECTORS

Richard Caldwell (Non-Executive Chairman)
 Sylvia Tulloch (Managing Director)
 Gordon Thompson (Non-Executive Director)
 Cathryn Curtin (Non-Executive Director)

COMPANY SECRETARY

Kim Hogg

PRINCIPAL BUSINESS ADDRESS

Dyesol Limited
 11 Aurora Ave
 Queanbeyan NSW 2620

Telephone: (61 2) 6299 1250
 Facsimile: (61 2) 6299 1698
 Email: dyesol@dyesol.com

REGISTERED OFFICE

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 Level 3, 189 Hay Street
 Subiaco WA 6008

Telephone: (61 8) 9382 1311
 Facsimile: (61 8) 9382 1322

PATENT ATTORNEYS

Griffith Hack
 Level 29 Northpoint
 100 Miller Street
 North Sydney NSW 2060

SOLICITORS

Blakston & Crabb
 1202 Hay Street
 West Perth WA 6006

INDEPENDENT MARKET

RESEARCHER
 HBH Consultants
 Level 8, 220 St George's Terrace
 Perth WA 6000

SHARE REGISTRY

Computershare Investor Services Pty Ltd
 Level 2, Reserve Bank Building
 45 St George's Terrace
 Perth WA 6000

Telephone: (61 8) 9323 2000
 Facsimile: (61 8) 9323 2033

AUDITOR

Stantons International
 Level 1
 1 Havelock Street
 West Perth WA 6005

INVESTIGATING ACCOUNTANT

Stanton Partners Corporate Pty Ltd
 Level 1
 1 Havelock Street
 West Perth WA 6005

CORPORATE ADVISOR

XLS Pty Ltd
 Lot 47 Alice Road
 Mt Helena WA 6082

WEBSITE: www.dyesol.com

Corporate Directory	inside cover	6.0 Risk Factors	25
Chairman's Letter	1	7.0 Independent Market Research Report	28
Offer Highlights	2	8.0 Patent Attorney's Report	44
1.0 Investment Summary	4	9.0 Investigating Accountant's Report	52
2.0 Details of the Offer	7	10.0 Additional Information	63
3.0 Industry Background and Company Overview	11	11.0 Directors' Statement	78
4.0 Directors and Management	20	12.0 Glossary	79
5.0 Corporate Governance	24	13.0 Application Forms and Instructions	81

This Prospectus is dated 27 June 2005. A copy of this Prospectus was lodged with the Australian Securities and Investments Commission ("ASIC") on 27 June 2005. The ASIC takes no responsibility for the contents of this Prospectus.

This Prospectus will be issued in paper form and as an Electronic Prospectus, which may be viewed online at www.dyesol.com. The Offer is available to persons receiving an electronic version of this Prospectus in Australia. The Corporations Act prohibits any person from passing onto another person the Application Form unless it is attached to or accompanied by a complete and unaltered version of this Prospectus. During the Offer Period, any person may obtain a hard copy of this Prospectus by contacting the Company by e-mail at dyesol@dyesol.com.

No Shares will be issued on the basis of this Prospectus later than 18 months after the date of this Prospectus. Application will be made within 7 days after the date of this Prospectus for the Shares offered by this Prospectus to be listed for quotation on ASX.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make an offer.

Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisors before deciding whether to apply for Shares. There are risks associated with an investment in Dyesol and the Shares offered under this Prospectus must be regarded as a speculative investment. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or future value.

Certain abbreviations and other defined terms are used throughout this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in Section 12 of this Prospectus.

In accordance with Chapter 6D of the Corporations Act this Prospectus is subject to an Exposure Period of 7 days from the date of lodgement with the ASIC. This period may be extended by the ASIC for a further period of up to 7 days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. If this Prospectus is found to be deficient, Applications received during the Exposure Period will be dealt with in accordance with Section 724 of the Corporations Act. Applications received prior to the expiration of the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period and all Applications received during the Exposure Period will be treated as if they were simultaneously received on the Opening Date.

Unless otherwise stated, items shown in this Prospectus are assets of Dyesol Limited.

27 June 2005

DEAR INVESTOR

On behalf of the Directors, I take great pleasure in inviting you to become a shareholder in Dyesol Limited ("Dyesol") through the initial public offering contained in this Prospectus.

Dyesol was formed to acquire Dye Solar Cell ("DSC") technology assets of Sustainable Technologies International Pty Ltd ("STI") and Greatcell Solar S.A. ("Greatcell"). These assets provide Dyesol with an excellent opportunity to grow shareholder value in the rapidly growing worldwide market for DSC technology.

DSC technology was invented by Professor Michael Graetzel in Switzerland in 1988. Professor Graetzel has maintained close links to the technology developed at STI and Greatcell for the past ten years. The DSC is a 'leapfrog' technology that has its roots in photosynthesis – the conversion of light to energy by plants. The science was proven fifteen years ago when Professor Graetzel emulated the leaf using titanium dioxide nanoparticulate films coated with an archival dye. From 1994, teams in Australia and Switzerland further developed the technology to the stage where products could be commercialised. A key to that development phase was the invention of processes, new materials and equipment to manufacture DSC products. These inventions result in a portfolio of patents that Dyesol has acquired.

The world market for solar photovoltaic cells has been growing strongly at an average rate of around 30% per annum for the past decade and is currently valued at about US\$5B. The major technology currently servicing that market is crystalline silicon, the first generation of solar cells. Crystalline silicon cells have major disadvantages in that they are costly to manufacture and the manufacturing process uses considerable energy. The second generation of solar cells is based on thin film semiconductors and these materials require very expensive vacuum equipment for production. DSC is the first of the third generation solar cells. Dyesol believes the third generation solar cells can expect to have the most rapid growth within the solar cell market place. DSC is advantaged by using relatively low cost manufacturing equipment and use of much less energy to produce than the first

and second generation solar cells. Consequently, Dyesol expects that DSC will become the cheapest form of solar cells. There are now several hundred academic and commercial organisations worldwide conducting research and development into DSC. The Directors believe the founders of Dyesol have a major advantage over other developers, having already commercially produced DSC and protected its intellectual property through a comprehensive portfolio of patents.

The strategy to take advantage of this internationally recognised technological leadership is to become a respected source for materials, facilities and technology to other organisations developing products in this field. It requires low capital investment and identifies immediate sources of significant revenue. The validity of our strategy is evidenced by the fact that our customers include universities in USA, Sweden, China, Taiwan and Korea, as well as Australia and New Zealand, and corporations in Germany, Italy, Korea, Canada and USA. We are also addressing enquiries from several groups for the establishment of small production facilities. Dyesol's in-house patents and know-how present unique earnings potential. The large-scale use of DSC technology is expected to provide a clean and alternative source of energy for power grids, remote power and wireless applications.

The Board's confidence in the proposed business model is further enhanced by recent developments in energy prices and the recent ratification of the Kyoto protocol. It now seems clear that the quest for cleaner and cheaper sources of renewable energy will be pursued with even greater vigour. I invite you to join us in this march forward into the new solar energy market place.

Yours sincerely



Richard Caldwell
Chairman



Offer Highlights

Unique Prospects

Dyesol is an international leader in the commercialisation of DSC technology. DSC is a 3rd generation solar technology, and is the most advanced commercially available product of these technologies to reach the market. It is based on artificial photosynthesis, and is an early practical use of nanotechnology. Dyesol will enable commercialisation of DSC through the supply of manufacturing and test equipment and the key materials needed for DSC manufacture.

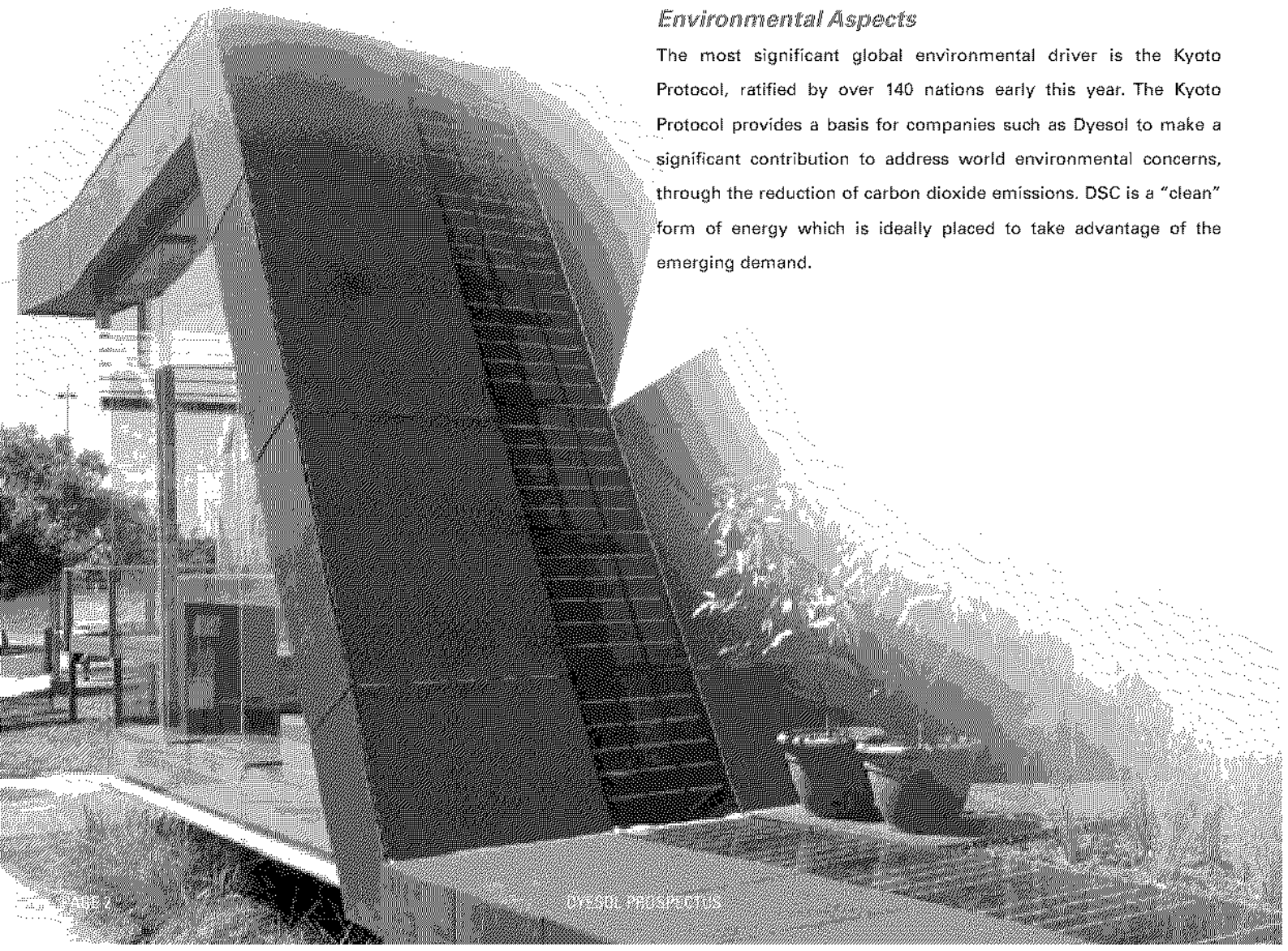
Growth Potential

The market for renewable energy systems is growing rapidly. The photovoltaic market is the sector in which Dyesol operates, and the global market for solar photovoltaics currently exceeds US\$5 billion, having grown at a compound rate of over 30% per annum for the past decade. Photovoltaic cells are being used to generate electricity to supplement the grid, as roof or wall panels, to provide power for communities in underdeveloped areas, and to power consumer products.

Dyesol also has options to acquire businesses developing micropower sources and devices targeting security, emerging miniature wireless sensor networks, and next generation DSC solutions.

Environmental Aspects

The most significant global environmental driver is the Kyoto Protocol, ratified by over 140 nations early this year. The Kyoto Protocol provides a basis for companies such as Dyesol to make a significant contribution to address world environmental concerns, through the reduction of carbon dioxide emissions. DSC is a "clean" form of energy which is ideally placed to take advantage of the emerging demand.



Strong Management

Dyesol is supported by a Board with proven experience at commercialising business and accessing financial markets. The Dyesol management team are recognised as leaders in the renewable energy industry in Australia. The team has expertise in all aspects of DSC technology, as well as business and market development, patenting, government programmes and the international solar industry sector.

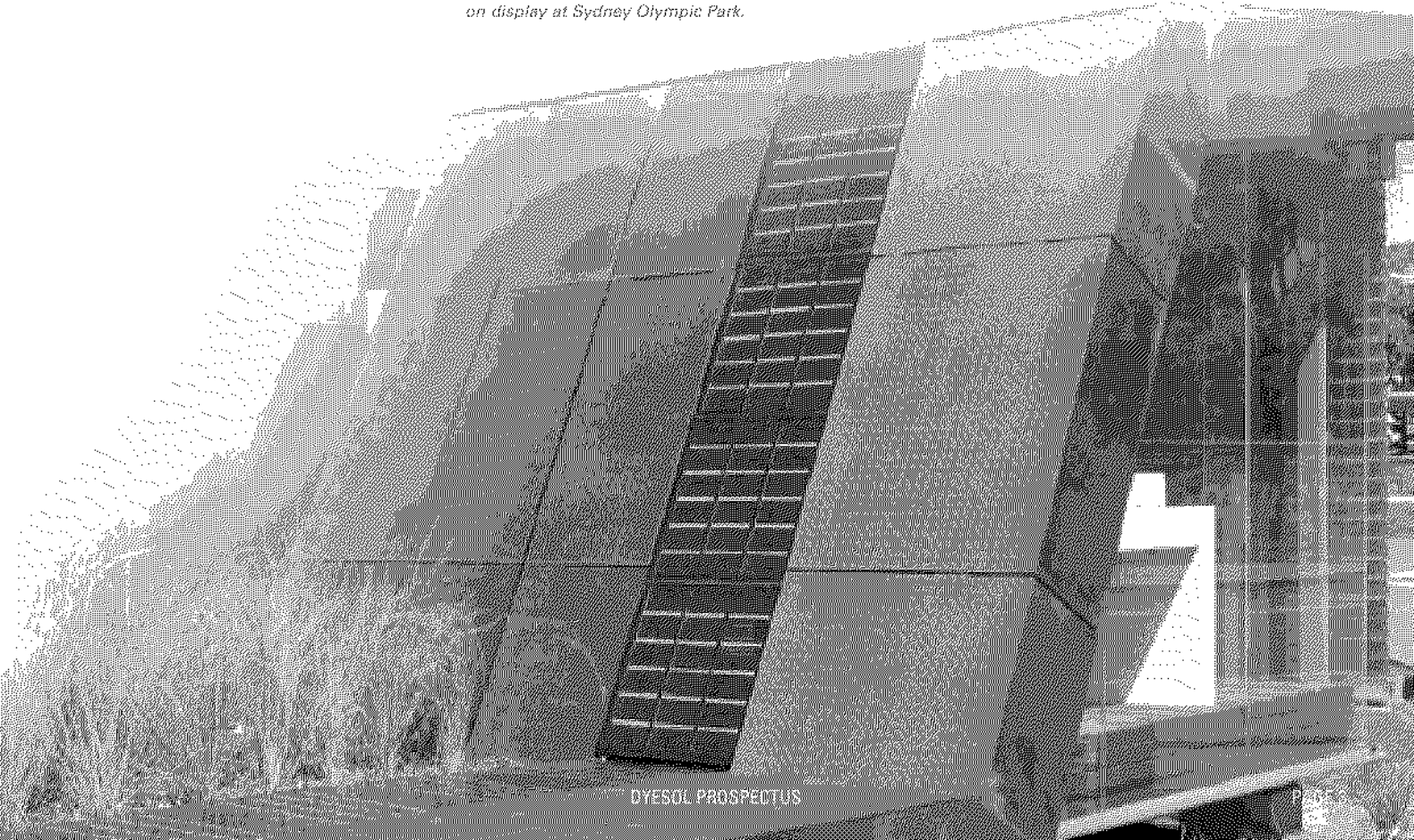
Indicative Timetable

Date of Prospectus:	27 June 2005
Opening Date:	4 July 2005
Closing Date:	15 August 2005
Despatch of Holding Statements:	17 August 2005
Quotation of Shares on ASX expected:	23 August 2005

“ The dye solar cell has potential for becoming a cost-effective means for producing electricity, capable of competing with available solar electric technologies and eventually with today's conventional power technologies. ”

US National Renewable Energy Laboratory, 2002.

Image shows DSC panels (Dyesol registered design No 154246) installed in the Timber House of the Future, on display at Sydney Olympic Park.



1.0 Investment Summary

1.1 DYESOL LIMITED

Dyesol Limited was incorporated in late 2004 to accelerate the commercial development of the extensive expertise and body of work carried out in Australia on the development and supply of Dye Solar Cell ("DSC") equipment and technology. DSC is a 3rd generation solar cell technology, and is the most advanced commercially available product of these technologies to reach the market. Based on artificial photosynthesis, DSC is one of the first practical nanotechnology products available in the market.

Dyesol acquired the laboratory and manufacturing equipment and certain Intellectual Property ("IP") developed by SustainableTechnologies International Pty Ltd in Australia and Greatcell Solar S.A. in Switzerland. Dyesol is implementing a DSC business strategy to become the global leader in the provision of turnkey manufacturing solutions, technology services and materials for the production of Dye Solar Cells.

Dyesol's growth strategy includes achieving the following milestones:

	6 months	1 year	18 months
Have the Dyesol brand recognized internationally as the premium source of 3rd generation solar technology, equipment and materials.		●	
Build and demonstrate a methodology for strategic partner management.	●		
Be working under contract to corporations in two regions, to assist them to establish prototype DSC production facilities.		●	
Increase professional and technical services to leverage existing resources to generate income and provide market entry to higher value turnkey manufacturing projects.	●		
Complete the engineering for a scaled up modular manufacturing facility of around 50,000m ² annual panel production capacity.			●
Achieve funding from government or strategic partners for the development of products that have identified market application.		●	

Other ongoing activities include:

- Helping facilitate acceptance of the building integrated photovoltaics ("BIPV") product by architects, builders, policy makers and others in key markets.
- Maintaining and strengthening existing IP protection.

1.2 PURPOSE OF THE OFFER

The net funds to be raised by this Offer (if fully subscribed) are approximately \$3,020,000 after paying all costs of the Offer, including brokerage.

The Company's main objectives in raising funds under the Offer include:-

- successful commercial promotion and development of the Company's technology, both internationally and in Australia;
- developing turnkey manufacturing solutions, including proprietary equipment and a range of supporting products;
- scaling up production of dye, paste, other chemicals and materials;
- providing funding to acquire or develop new technologies and associated products;
- continuing worldwide intellectual property protection;
- continuing research & development of the technology; and
- listing on ASX and paying costs associated with the Offer.

1.3 UTILISATION OF FUNDS

The working capital position of the Company is illustrated below, showing the position if the Offer is fully subscribed and also in the event that minimum subscription is reached.

Working Capital Position

	Full subscription \$	Minimum subscription \$
Raising	3,500,000	2,500,000
Expenses of the Offer	(480,000)	(420,000)
Working capital as at 30 April 2005	230,916	230,916
Additional seed capital June 2005	200,000	200,000
Cash utilised from 1 May to 30 June 2005 (estimate) (refer Section 9, Note 3)	(300,000)	(300,000)
Total net working capital	3,150,916	2,210,916
Total budgeted expenditure – see below	(3,100,000)	(2,175,000)
Unallocated	50,916	35,916

The funds raised under the Offer will be applied over the initial 2 years to:

	Full subscription \$	Minimum subscription \$
Domestic and international marketing	725,000	475,000
Continuing process development	900,000	675,000
Capital equipment investment	475,000	300,000
Worldwide intellectual property protection	125,000	125,000
Administration and corporate costs	425,000	300,000
Production working capital	450,000	300,000
	3,100,000	2,175,000

1.0 Investment Summary

In the event that the Company raises greater than the minimum subscription but less than the full subscription of \$3,500,000, the Company will allocate any additional funds raised broadly pro rata to the following items:

- Domestic and international marketing (focussing initially on the countries and projects already identified by the Company);
- Continuing process development, extended to module assembly;
- Additional capital equipment to expand materials production and analysis capability;
- Administrative and corporate costs to meet expanded business activities; and
- Production working capital.

The full subscription expenditure allocation (to the areas of domestic and international marketing and continuing process development) includes funding of approximately \$320,000 to be provided to Greatcell, on the assumption that the Company acquires all of the issued capital in Greatcell (except one share) (refer Sections 3.11 and 10.1). In the event the Company raises less than the full subscription and proceeds with the acquisition of Greatcell (except one share), the intended funding to be provided to Greatcell from the proceeds of the Offer will be \$150,000, with any additional funding to be sourced through alternative means. In the event that the Company does not proceed with the acquisition of Greatcell shares after due diligence, the funds included in the above allocations for activities undertaken by Greatcell will be used to undertake market development in Europe (i.e. international marketing) and continuing process development, with approximately 50% of funds allocated to each of those activities.

It is anticipated that funds raised from the Offer will be supplemented through sales revenues, and funding from government grants applicable to the Company's operations and activities. The actual level and apportionment of expenditure may differ from these estimates as a result of new opportunities and changed market conditions.

1.4 WORKING CAPITAL ADEQUACY

The Directors are of the opinion that on completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives.

1.5 CAPITAL STRUCTURE

The Pro-forma Capital Structure of Dyesol is set out below for illustrative purposes to reflect the Issued and Paid Up Capital Structure of the Company if the Offer pursuant to this Prospectus is fully subscribed:

	Shares	%	\$
Founder and promoter shares	30,000,001	48	300
Seed capital investors	15,000,000	24	1,200,000
Shares on issue at the date of this Prospectus	45,000,001	72	1,200,300
Shares to be issued pursuant to the Offer	17,500,000	28	3,500,000
Less costs of the Issue			(480,000)
TOTAL SHARES ON ISSUE	62,500,001	100	4,220,300

Notes:

- A total of 13 million Options exercisable at 20 cents each on or before 30 November 2008 are currently on issue.
- The rights attaching to the Securities are summarised in Section 10 of this Prospectus.
- It is expected, in line with current ASX policy, that the majority of the 45,000,001 Shares and 13,000,000 Options currently on issue will be classified as restricted securities by ASX. In relation to the 30,000,001 founder and promoter shares (and all options currently on issue), an escrow period of 2 years from the date of the Company's listing on ASX is expected. For third-party seed capital investors, a 1-year escrow period is expected, to apply to 60% of the shareholdings from the date of allotment of the shares. Seed capital investment by related parties is expected to attract a 2-year escrow period from ASX-listing, to apply to 60% of the shareholdings. These escrow periods are indicative only, with the final determination on escrow to be decided by ASX in its sole discretion (refer to Section 2.9 of this Prospectus for further details).
- Oversubscriptions will not be accepted (refer Section 2.5 of this Prospectus).
- Further details of the Company's capital structure are set out in the Investigating Accountant's Report in Section 9 of this Prospectus.

1.6 RISK FACTORS

Prospective investors in the Company should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are described in Section 6 of this Prospectus. Investors are encouraged to consider these risks carefully before deciding whether to invest in the Company.

2.1 SHARES OFFERED FOR SUBSCRIPTION

This Prospectus invites investors to apply for a total of up to 17,500,000 Shares at an issue price of 20 cents each to raise up to \$3,500,000.

The Offer is open to all public investors. Applications must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares.

Applications under the Offer will only be accepted on the Application Form attached to this Prospectus. The Company may reject any Application or allocate fewer Shares than applied for under the Offer.

2.2 INDICATIVE TIMETABLE

Date of Prospectus:	27 June 2005
Opening Date:	4 July 2005
Closing Date:	15 August 2005
Despatch of Holding Statements:	17 August 2005
Quotation of Shares on ASX expected:	23 August 2005

Notes:

- (1) The Directors reserve the right to vary these dates for any reason (e.g. should the Exposure Period be extended).
- (2) The Directors reserve the right to close the Offer earlier or later than as indicated above, subject to the requirements of the Corporations Act.
- (3) The above are indicative dates only. The date the Shares are expected to be issued and/or commence trading on the Official List of ASX may vary with any change to the Closing Date.

2.3 ALLOTMENT AND ALLOCATION OF SHARES

The allotment of Shares to Applicants will occur as soon as possible after the Offer is closed, following which statements of shareholdings will be dispatched. It is the responsibility of Applicants to determine their allocation prior to trading in Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

Pending issue of the Shares, or return of the Application monies, the Application monies will be held in trust for the Applicants.

The Company has the right to allocate Shares under the Offer. The Company may reject any Application or allocate any fewer Shares than applied for under the Offer.

If an Application is not accepted, or is accepted in part only, the relevant part of the Application monies will be refunded. Interest will not be paid on Application monies refunded.

2.4 MINIMUM SUBSCRIPTION

The minimum subscription for the Offer is \$2,500,000. No Shares will be issued pursuant to this Prospectus until the minimum subscription is reached.

Should the minimum subscription not be reached within four (4) months after the date of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies. Interest will not be paid on Application monies refunded.

2.5 OVERSUBSCRIPTIONS

The Company will not accept any oversubscriptions.



2.0 Details Of The Offer

2.6 NON-RESIDENT INVESTORS

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an Application to take up Shares on the basis of this Prospectus.

No action has been taken to register or qualify the Shares or the Offer or otherwise to permit an offering of the Shares in any jurisdiction outside Australia.

The Offer pursuant to an Electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia.

2.7 BROKERS

The Company will pay licensed securities dealers a distribution fee of 5% of the amount subscribed (and accepted by the Company) in respect of all Applications.

No brokerage or stamp duty will be payable by Applicants subscribing for Shares.

2.8 ASX LISTING

Within 7 days from the date of this Prospectus, application will be made for the Company to be admitted to the Official List of the ASX and for admission of the Shares offered by this Prospectus to quotation on the ASX.

If the Company is not admitted to the Official List and its Shares are not admitted to quotation within 3 months after the date of this Prospectus, the Company will not allot or issue any Shares, and will repay all Application monies without interest and within the time prescribed by the Corporations Act.

The ASX takes no responsibility for the contents of this Prospectus.

The fact that ASX may grant quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

2.9 ESCROW PROVISIONS

Securities issued to promoters, seed capital investors and others prior to the Offer may be subject to the restricted securities provisions of the Listing Rules. Accordingly, a proportion of such securities, to be determined by ASX, may be required to be held in escrow for a period of time, as determined by ASX.

2.10 ENTITLEMENTS ISSUE OF OPTIONS TO SHAREHOLDERS

All Shareholders registered on the date 3 months after the Shares commence trading on ASX (the final date to be confirmed by announcement to ASX) will be entitled to participate in a non-renounceable entitlement issue of Options on the basis of 1 Option for every 4 Shares held. The Options will be issued at a price of 1/2 cent each with an exercise price of 20 cents and an expiry date of 30 November 2008. The terms and conditions of the Options, which will be the same as those for the 13,000,000 Options presently on issue, are summarised in Section 10.8 of this Prospectus.

A disclosure document for the entitlements issue of Options will be issued when the Options are offered. Anyone who wishes to acquire the Options will need to complete the application form that will be in or will accompany the disclosure document.

2.11 CHESS

Dyesol proposes to participate in the Clearing House Electronic Sub-register System ("CHESS"), operated by ASX Settlement and Transfer Corporation Pty Ltd ("ASTC") a wholly owned subsidiary of ASX, in accordance with the Listing Rules and SCH Business Rules.

Under this system, the Company will not issue certificates to investors. Instead, Shareholders will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASTC will send them a CHESSE statement.

The CHESSE statement will set out the number of Shares allotted to each holder under the Prospectus and give details of their Holder Identification Number, in the case of a holding on the CHESSE sub-register.

In the case of an Issuer Sponsored Sub-register, the statement will contain the number of Shares allotted under the Prospectus and the Shareholder's Security Holder Reference Number.

A CHESSE statement or Issuer Sponsored statement will routinely be sent to holders at the end of any calendar month during which the balance of their holding changes. A holder may request a statement at any other time, however a charge may be incurred for additional statements.

2.12 OPENING AND CLOSING DATES

The Offer will open on 4 July 2005, or such later date as may be prescribed by ASIC, and will remain open until 5.00pm WST on 15 August 2005 subject to the right of Dyesol to either close the Offer at an earlier time and date or to extend the Closing Date without prior notice.

Applicants are encouraged to submit their Applications as early as possible.

No Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

2.13 HOW TO APPLY

Applications for Shares under the Offer can only be made on the Application Form issued with and attached to this Prospectus in Section 13.

The Application Form must be completed in accordance with the instructions set out on the back of the Application Form.

The completed Application Form and accompanying cheque(s) should be lodged at any time after the issue of the Prospectus with:

DYESOL LIMITED

c/- Computershare Investor Services Pty Ltd
GPO Box D182
PERTH WA 6840

or delivered to:-

DYESOL LIMITED

c/- Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St George's Terrace
PERTH WA 6000

Cheques must be made payable to "Dyesol Limited Trust Account" and crossed "Not Negotiable". No brokerage or stamp duty is payable by Applicants.

Applications must be for a minimum of 10,000 Shares at 20 cents per Share. Applications for more than 10,000 Shares must be in multiples of 1,000.

2.14 ENQUIRIES IN RELATION TO THE OFFER

This Prospectus provides information for potential investors in Dyesol, and should be read in its entirety. If after reading this Prospectus, you have any questions about any aspect of an investment in Dyesol, please contact your stockbroker, accountant or independent financial adviser.

2.15 PRIVACY ACT

The Company collects information about each Applicant from an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.



2.0 Details Of The Offer

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, (including mailing houses), the ASX, ASIC and other regulatory authorities.

If an Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If Applicants do not provide the information required on the Application Form, the Company may not be able to accept or process the Application.



3.1 INTRODUCTION

Dyesol Limited is a world leader in commercialisation of Dye Solar Cells. The Company operates in the energy sector – in particular in the burgeoning solar electricity market, part of the renewable energy market place. Dyesol is positioned as a supplier of turnkey manufacturing solutions, equipment and materials to solar cell manufacturers serving the 'green' electricity market.

Since the industrial revolution, economic growth has depended on the use of fossil fuels for energy generation and transportation. However, the economic imperative is changing as, notably, oil prices have escalated to a level where this fuel is no longer a feedstock of choice for power generation. Electricity markets are switching to gas and coal for commercial reasons and, consequently, the prices of gas and coal have begun to rise. However, many countries do not have ready access to coal deposits or have taken an environmental stand and closed coal production (e.g. France and Germany). In parallel, the recognition that global warming is at least partly due to human activity has resulted in the Kyoto protocol which is now international law. In many developed countries there are now regulations and incentives for the use of power generation technologies that reduce production of greenhouse gases such as carbon dioxide. These alternative power generation technologies are known as renewable energy and comprise hydro, wind, geothermal, to a lesser extent biomass, and most importantly, solar energy. Photovoltaic energy is the form of solar energy wherein electric power is produced directly from solar cells. This is the 'greenest' form of energy as it is produced directly from sunlight.

3.2 SOLAR ELECTRICITY MARKET

The solar electricity market is booming, with the world market for solar photovoltaic cells (cells which produce electricity directly from light with zero pollution) growing at an average rate of around 30% per annum for the past decade. The value of solar cell sales currently exceeds US\$5Billion per annum, with major corporations predicting further significant growth. There has been a strong underlying market for solar cells that provide power for communities where there is

no electricity grid and for remote equipment installations, but the major market growth is for solar cells used to generate electricity to supplement the grid, as roof systems or wall panels. The market for this particular technology application, known as BIPV (Building Integrated Photovoltaics), accounts for over 50% of photovoltaic sales and has the most rapid growth. Japan, Germany and USA (California) are the countries driving the international growth, with strong government incentives for purchasers of solar systems.

Building Integrated Photovoltaics ("BIPV")

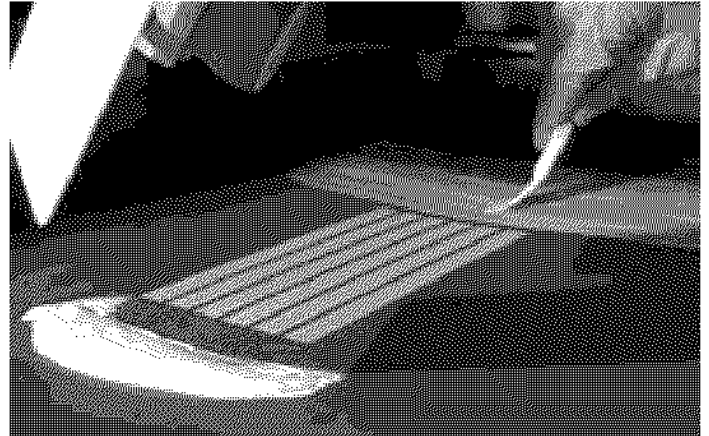
The drive to BIPV comes from six market forces:

1. The growing recognition that buildings are major consumers of energy. Architects are increasingly looking for active facades rather than the current passive facades (i.e. building elements that produce power or reduce power consumption from the grid).
2. The cost of grid expansion for city construction far exceeds the cost of power generation. Local power generation is becoming more economic and an imperative to reduce installation of costly new grids.
3. The grids are also inadequate, in many situations, to meet growing peak demands – resulting in brown-outs and black-outs.
4. The threat of terrorist attacks on major power generation centres is reduced by the use of distributed generation. BIPV is the ultimate distributed generator.
5. There is increasing evidence that 'green' buildings provide a higher rate of return than 'brown' buildings through higher rents (coupled with lower energy costs) and premiums for naming rights.
6. Governments are establishing programmes which support BIPV, such as the "European GreenBuilding Program to Promote Energy-efficiency and Renewables Investments in Non-Residential Buildings", and the Energy Performance Buildings Directive, which will legally enforce minimum energy requirements in new buildings in EU member states by 4 Jan 2006.

3.0 Industry Background And Company Overview

3.3 SOLAR CELLS AND DYE SOLAR CELLS (DSC)

The first solar cells, made from crystalline silicon, were invented about 50 years ago and these First Generation cells have been marketed for well over 30 years. However, the first generation solar cells are still relatively expensive and utilise substantial amounts of energy for production (i.e. they have high embodied energy). The search for cheaper and less energy intensive forms of solar cells led to the thin film materials such as amorphous silicon, cadmium telluride and copper indium diselenide, but these Second Generation solar cells also have their drawbacks – they have lower efficiency than crystalline silicon, require expensive manufacturing equipment, and, in the case of cadmium telluride, present health and safety issues. More recently, Third Generation solar cells have been sought to reduce the cost of manufacturing equipment and processing. These draw on modern concepts such as nanotechnology (using very small particles that comprise only a few thousand molecules, thus having a very high surface area compared to bulk) and biomimetic activity (activity that mimics nature). Dye Solar Cells are the first commercially available third generation solar cells. DSC technology is based on artificial



photosynthesis, and is one of the first nanotechnology products available.

The following table summarises the comparison between each of the three solar cell generations:

Solar Cell Characteristic	First Generation	Second Generation	Third Generation DSC
Major cost of manufacture is not high priced raw materials.		●	●
The manufacturing process produces no toxic emissions			●
Economies of scale and commonly available non-vacuum processing equipment lower production cost			●
Low embodied energy		●	●
Low cost manufacturing equipment			●
Highest performance in bright sunlight	●	●	
Output does not rely on direct solar incidence; effective in every day conditions with reflected and refracted light			●
Good performance does not require optimally directed structures			●
Optimal output is achieved under real life operating conditions			●
A range of colours and shades can be available	●	●	●
Modules can be opaque or translucent		●	●
Inherently transparent coloured modules.			●
Reduced Balance of System costs (batteries, framing, inverters, cables)			●

In an assessment of DSC, published in 2002, the US National Renewable Energy Laboratory (NREL), concluded that 'the dye solar cell has potential for becoming a cost-effective means for producing electricity, capable of competing with available solar electric technologies and eventually with today's conventional power technologies.'

The European Roadmap for photovoltaics has predicted that Dye Solar Cells will experience the greatest growth rate within the solar cell market place. In spite of the strong international interest in DSC, industrial development is immature due to the broad level of expertise needed to excel in this field, and new players cannot readily acquire the technology or manufacturing facilities to enter the industry.

3.4 DYESOL LIMITED

Dyesol was incorporated in late 2004 for the purpose of accelerating the commercial development of the extensive expertise and body of work carried out in Australia on the development and supply of DSC equipment and technology. Australian industrial development has led the world in commercialising DSC.

Dyesol acquired laboratory and manufacturing equipment and Intellectual Property (IP) developed by Sustainable Technologies International Pty Ltd (STI) in Australia and Greatcell Solar S.A. in Switzerland, and has the business objective of being the global leader in the provision of turnkey manufacturing solutions, technology services and materials for the production of Dye Solar Cells. Dyesol builds on the platform technology licensed to STI by EPFL (Ecole Polytechnique Fédérale de Lausanne) and on the separate IP acquired from STI and Greatcell. Dyesol has rights to market products and materials utilising the EPFL technology currently licensed to STI as well as having exclusive control of the required STI and Greatcell technologies. The STI IP was developed over ten years and encompasses the unique capability to control over 95% of the manufacturing process in-house. This IP control, acquired by Dyesol, includes a large portfolio of patents and patent applications (see Patent Attorney's Report Section 8.0), designs and trade secrets embedded in electronic and hard copy data, reports and laboratory records. It



includes a Quality Plan for the pilot manufacturing plant now owned by Dyesol. Some of the equipment in this plant is also patented and is unique to DSC manufacture. Dyesol has also employed or contracted the key technical and management personnel from STI (see Section 4.0), the people in whom the creative force of the Company resides.

Dyesol's strategy is to grow shareholder value, without requiring major investment in capital equipment, facilities and distribution, by leveraging the IP portfolio and the Company's unique experience in this rapidly emerging technology.

There are over 300 groups worldwide developing Dye Solar Cell technology and products. Most of those organisations acquire materials from external sources. Many groups also require assistance to develop manufacturing processes and to acquire the equipment necessary to produce DSC products. Dyesol has identified and targeted this market for the provision of its products and services.

3.0 Industry Background And Company Overview

3.5 THE DYESOL VISION

Dyesol has a clear strategic road to wealth creation:

Vision

To be the leading supplier of turnkey manufacturing solutions comprising technology, equipment, and materials to manufacturers of 3rd generation solar technology.

Mission

To develop, manufacture, market and distribute a range of equipment and materials, supported by a consultancy, licensing and technology support service, for DSC products including full turnkey production facilities, test equipment, research equipment, and materials for both research and manufacture.

3.6 POTENTIAL REVENUE STREAMS

Dyesol presently concentrates its activities in four areas:

1. the manufacture, sale and installation of DSC turnkey manufacturing solutions;
2. the supply of special manufacturing and research equipment;
3. the supply of materials for DSC products; and
4. technology development and support, including providing services under contract to strategic partners.

Revenues at the current early commercialisation stage are being realized from the sales of specialized DSC materials, equipment and related consulting services to existing organisations involved in the research and development stages of DSC technology. Universities in Japan, Korea, USA, Thailand, Finland, China, Taiwan have all purchased DSC materials now in the Dyesol range, (e.g. dye, titania paste) for DSC projects (solar cells and direct hydrogen production). Corporate customers come from countries including Korea, Japan and US. Researchers in China and Switzerland have purchased Dyesol DSC test equipment manufactured in Australia. In Australia, researchers from major universities and government laboratories have purchased Dyesol DSC raw materials/components.

Dyesol has also signed its first consulting agreement in Canada to plan a turnkey manufacturing plant for the first DSC plant in Canada.

Dyesol is the first organisation in the world to supply turnkey manufacturing solutions for DSC. The Directors consider Dyesol will remain the sole supplier for some time to come. The integrated manufacturing solution now offered by Dyesol forms part of a package for strategic clients, providing attractive returns through a mix of technical service fees, contract supply of materials and annual design usage fees.

The supply of turnkey solutions will involve a four stage program for Dyesol's customers over a period of approximately four years as outlined in the following table:



Stage	Potential revenue streams for Dyesol
Feasibility Study	Technology services including option fees
Establishment of a pilot plant to enable product and process development.	Equipment, engineering services, pilot quantities of materials and components
Production Facility – typically 30,000 m ² per annum capacity	Equipment, engineering services, production quantities of materials and components
Expansion	Equipment, materials and components

The multifaceted business strategy of Dyesol includes fixed-price volume-dependent contracts for the sale of materials and components to the DSC manufacturers, both those who acquire turnkey solutions from Dyesol and other manufacturers. This model has been applied successfully for around 20 years in the silicon solar cell industry, where few manufacturers produce the materials and components. These are sourced from specialist silicon refineries, wafer manufacturers, and turnkey solutions suppliers, who also provide the manufacturing equipment.

The composition of Dyesol's potential revenue streams over time is expected to change to reflect the increasing proportion of revenue planned to be generated from the supply of materials to DSC panel manufacturers. This is the key long term wealth creation tool for Dyesol. While the provision of all services and equipment involves significant margin for the business, as these turnkey facilities increase in number and expand, Dyesol's market for materials is expected to grow rapidly. The margin for materials supply is planned to parallel that in similar specialty chemical industries where high gross margins are achieved.

3.7 PRODUCTS AND SERVICES

DSC Materials and Components

The materials and components in Dyesol's product range are listed below. These items can be purchased directly from Dyesol at its Queanbeyan premises or by using its e-commerce facility. Currently a number of institutions purchase chemicals, dyes and pastes in relatively small quantities for research purposes. The supply of DSC chemicals and components is expected to increase over time as the manufacturing of DSC panels increases.

Dyesol Specialty DSC Chemicals and Components

- Titanium Dioxide Printing Pastes
- Dyes
- Interconnects
- Counter Electrode Pastes
- Electrolytes
- Sealants
- Glass substrates cut to size
- Profiled substrates for working and counter electrodes
- Printed cell plates for use as working electrodes
- Printed cell plates for use as counter-electrodes
- Laminated thermoplastic sealants

3.0 Industry Background And Company Overview

DSC Manufacturing Solutions

The leading edge technology employed by Dyesol can be engineered for operators of varying skill levels, enabling plants to be located in developed and developing countries alike. The modularity of the manufacturing facility allows plants to be highly automated where labour costs are high, or can accommodate the automation of only critical processes, allowing employment of less skilled labour. The key processes are protected by a portfolio of blocking patents, design registration and protected software. Dyesol believes, however, that the best form of protection is to be the first entrant into a new emerging market with significant growth potential. By providing fully integrated turnkey solutions, the Company believes it will protect its dominant position.

Dyesol specialist manufacturing and test equipment:

- Dye Application Module
- Dye Treatment Equipment (patented)
- Interconnect Applicator
- Thermoplastic Sealer
- Multisol Test Station

3.8 INTELLECTUAL PROPERTY

The Dyesol IP portfolio includes patents, trademarks, designs, software and comprehensive know-how protected by the Company's trade secret regime. The know-how includes process and test instructions, materials and equipment specifications, and commercial data. There are 5 patents granted in the USA, 4 patents granted in Australia, 6 pending in Europe, 3 pending in Japan and 5 pending in Australia. Dyesol has designs registered in Australia and Europe, and has Trade Marks pending. A detailed list and summary of the patents is included in the Patent Attorney's Report.

The Dyesol IP portfolio is the result of a multi-million dollar research program in Australia, which has been part supported by the Commonwealth government through the Energy Research and Development Corporation and AusIndustry.

3.9 FACILITIES

Dyesol's operations are located in a modern leased factory/office complex in Queanbeyan NSW, equipped with an extensive computer network, and electronic and mechanical workshops, chemical and materials laboratories, prototype production plant and a wide range of analytical and test equipment. The facilities are believed to comprise the only complete DSC manufacturing facility in the world.



Dyesol's leased premises in Queanbeyan, NSW

3.10 OPTION TO ACQUIRE STI

Dyesol acquired most of its laboratory and manufacturing equipment and certain Intellectual Property (IP) from Sustainable Technologies International Pty Ltd (STI) in Australia. The Company has also secured an option to acquire 100% of the shareholding of STI, subject to conducting further due diligence enquiries on STI and, should it choose to exercise the option, receiving Shareholder approval of the transaction.

The acquisition of STI, if consummated, is considered to have a number of strategic advantages for Dyesol. Firstly, it will secure ownership of a subsidiary with an EPFL pioneer licence. Pioneer licences have intrinsic value because they have no geographic restrictions and are no longer available. The acquisition may also provide Dyesol with early projected revenue streams from consulting and applications development in the important areas of defence and security.

Significantly, the acquisition will also give Dyesol ownership of a suite of next generation IP aimed at the rapidly emerging market for "MOTE" technology. MOTEs are intelligent miniature nodes of communication systems, which form the building blocks of wireless sensor networks and potentially other embedded networks. The potential applications for MOTE technology are wide-ranging, including security and surveillance, remote monitoring and control, emergency service operations, seismic monitoring and structural surveillance. While the power requirement for MOTEs is relatively modest, a battery supply is required which limits the period the MOTE can be left unattended. The STI IP relates to miniature smart power generation technology that can be used to charge batteries and extend their operational life, and a second technology has inbuilt power storage within the generation system. This technology is covered by several patent applications, and whilst still at the development phase, it is highly relevant to the next generation of MOTE technology being worked on by a number of major corporations.

No funds raised pursuant to this Prospectus will be applied to the Company's acquisition of STI. Should Dyesol exercise its option to acquire STI, as referred to in the summary of the option deed contained in Section 10.1, it is expected that the agreed assumed liabilities of up to \$450,000 that Dyesol would be required to fund may be sourced from future revenue flows, or the Company may conduct a future capital raising for the acquisition.

Further details of the option agreement, including the consideration payable for STI and other terms and conditions, are contained in Section 10.1.

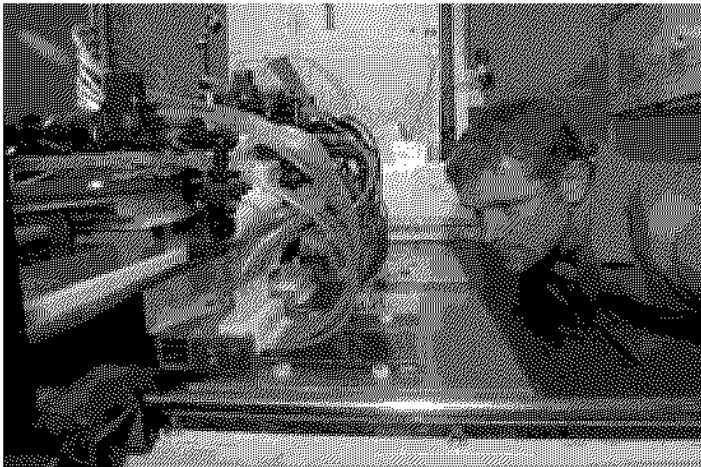


3.0 Industry Background And Company Overview

3.11 OPTION TO ACQUIRE SHAREHOLDING IN GREATCELL SOLAR SA

Dyesol acquired some of its laboratory and manufacturing equipment and certain intellectual property from Greatcell Solar SA (Greatcell) in Switzerland pursuant to an asset sale agreement signed on or about 21 December 2004. Under this asset sale agreement, should Dyesol be successful in raising a total of no less than \$3,500,000 and being listed on the ASX, it is obliged to use reasonable endeavours to agree with the shareholders of Greatcell that it will, in consideration for Dyesol acquiring the whole of the issued capital of Greatcell (minus one share), commit to fund the operation of Greatcell to an amount of no less than CHF300,000 (approximately AUD\$320,000).

Greatcell was incorporated in 1999, by LeClanché, the Swiss battery company which had been a licensee of EPFL DSC technology since 1993. Since 1999, Greatcell has been an active participant in the Swiss and European DSC network, focusing at various times on developing products and markets for indoor products to take advantage of DSC good low light performance, and on BIPV. Greatcell was the only industrial partner in the Nanomax consortium, whose members included Imperial College, EPFL and other prestigious European institutions, and which was funded by the European Commission to demonstrate improved DSC performance.



The Company has already secured an option to acquire 51% of the shares in Greatcell itself, subject to conducting further due diligence enquiries on Greatcell and, should it choose to exercise the option, receiving shareholder approval of the transaction if required. The 51% holding in Greatcell is currently held by Gavin Tulloch (28%) and an entity controlled by Gavin Tulloch and Sylvia Tulloch (a director of the Company) (23%). The consideration payable for the exercise of the option to acquire 51% of the shares in Greatcell is \$2.00. The option is exercisable any time until 28 March 2006. A summary of this option agreement is contained in Section 10.1.

The Company will use reasonable endeavours to enter into an agreement with the remaining shareholders of Greatcell to purchase all but one of the remaining Greatcell shares, subject to Shareholder approval (if required) and the Company carrying out due diligence of Greatcell and the Directors being satisfied with the results of this due diligence.

In the event that the Company is able to acquire all the shares in Greatcell (minus one share), the Company intends to provide funding to Greatcell of approximately \$320,000 from the funds raised under this Prospectus, assuming full subscription is achieved and subject to the Company obtaining all necessary approvals (if any). If the Company raises less than full subscription, funding of approximately \$150,000 will be provided, with any additional funding to be sourced through alternative means.

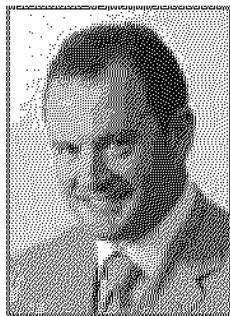
The acquisition of Greatcell is considered to be advantageous for Dyesol for the following reasons:

- Greatcell is a Swiss company, with a high profile in Europe in DSC R&D and business development.
- Greatcell utilises a laboratory located within EPFL's premises in Lausanne, Switzerland, which would facilitate Dyesol's close working relationship between Professor Michael Graetzel and his team.
- Greatcell has a Swiss government supported joint R&D project with EPFL with a total value of about CHF 1 Million funding. The project's Scientific Director is Michael Graetzel. The project has been running for approximately half of its expected duration. Greatcell has exclusive rights to new intellectual property and know-how developed in the project.
- Swiss companies can apply for EU funding in joint EU projects, so Greatcell would provide Dyesol with a base in Europe for funding and projects not accessible to Australian companies.
- Greatcell has relationships with leading European corporations who are potential clients for Dyesol.
- As a Swiss subsidiary of an international company, Greatcell will be able to apply for federal and cantonal taxation and grant assistance.



4.0 Directors And Management

4.1 DIRECTORS

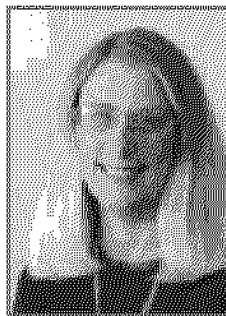


Richard Caldwell (BEC LLB ASIA)
Non-Executive Chairman

Richard is currently Head of Corporate Finance and Equity Capital Markets ("ECM") at Tricom in Sydney. Tricom provides a broad range of financial and investment banking services and is an active participant of the

Australian Stock Exchange. Richard has an established record in listing and providing ongoing corporate advice to many successful Australian emerging growth companies, particularly in the telecommunications, technology and biotechnology sectors. In addition, he has a strong transaction history in the oil & gas, resources and infrastructure sectors. Before joining Tricom, Richard spent seven years at Burdett Buckenridge Young where he became a significant shareholder and held the position of Head of ECM. During his twenty year career in financial markets Richard has also held senior management positions at Citibank, Sydney and J. P. Morgan, London. There he was responsible for debt origination, trading and risk management.

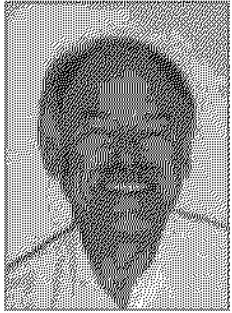
Outside of the finance industry, Richard is a founder and chairman of AiMedics Pty Ltd, a biomedical devices spin-off of the University of Technology, Sydney specialising in non-invasive diagnostics in diabetes and he is an Honorary Governor of the Medical Foundation, Sydney University - Australia's largest private medical research foundation. He is also a visiting fellow of Macquarie University.



Sylvia Tulloch (BSc, MSc)
Managing Director

Sylvia is a materials scientist with over twenty five years experience in establishment and management of high technology business. She is experienced in the process of listing on the ASX and the demands of public

company governance and fund raising. Responsibilities have included the strategic development of the company and contributing to the scientific developments and the successful move of DSC from development to production. Activities have included many presentations and briefings of a commercial and technical nature, market survey and analysis and establishing the web site as a marketing tool. Past roles included CEO of a window manufacturer and business manager of an advanced technology multinational defence company. Sylvia has been active in government liaison, both at company and industry levels. She was the last President of the Sustainable Energy Industries Association of Australia, Chair of the Renewable Energy Action Agenda Implementation Group and on the committee guiding the Australian Renewable Energy Technology Roadmap, and a Director of the Australian Business Council for Sustainable Energy. She holds a Master of Science degree from the University of NSW.



Gordon Thompson (BE(hons), M.EngSc, FIE (Aust))

Non-Executive Director

Gordon holds a Masters Degree in Engineering Science and is a Fellow of Engineers Australia. He is the former Managing Director of the International Centre for the Application of Solar Energy (CASE), a UN centre with the charter of promoting renewable energy and developing the industry. Gordon was the inaugural chairman of the Sustainable Energy Industry Association of Australia, which merged with another association to create the Business Council for Sustainable Energy. Gordon has a detailed knowledge of the Australian and International renewable energy market, and an extensive national and international network in the sustainable energy sector in Government and the private sector.

He has traveled the region widely and is known to many key Government officials in a number of growth markets for Dyesol. Gordon has worked in a diverse range of countries including China, Vietnam, Thailand, Indonesia, Malaysia, India, Palestine, Europe and South Africa, providing policy advice, professional services and managing projects. He also has extensive experience as a senior executive, managing the delivery of a diverse range of multi-discipline infrastructure projects, and business development in both the water and sustainable energy industry sectors. He has a proven ability to interface and negotiate at a high level with Government and the private sector establishing agreements and relationships within Australia and internationally.



Cathryn Curtin (BA, BEd, MBA)

Non-Executive Director

Cathryn has held senior positions within both the private and government sectors. She has held director level positions in Audit and Review, Ministerial Liaison and Communications and Public Relations and currently runs her own successful private consultancy business and provides services to the mining, industrial and government sectors. Cathryn has over 14 years senior management experience and has operated within small and large businesses. She has played key roles in developing policy and in managing the successful integration of strategic initiatives.

Cathryn holds Education and Psychology degrees and is a registered psychologist, as well as holding a Master of Business Administration. She is currently a non-executive director of Neptune Marine Services Ltd, an ASX-listed company.



4.0 Directors And Management

4.2 Senior Management

Gavin Tulloch (BSc, PhD, CIEA, FAICD)

Principal Consultant

Since completion of his PhD in semiconducting oxides at UNSW, Gavin has been acknowledged as both an expert in international commercialisation of advanced technology, and a leading technical expert in advanced materials for batteries, sonar devices, marine systems, nanotechnology and next generation solar technology, with joint authorship of 10 patents/design registrations. At Plessey Australia, he founded and led profitable technology businesses with up to 200 staff. Gavin has founded several companies, and taken one, Silicon Technologies Australia, to an IPO. He has wide business experience, especially in Europe and North America, and is often an invited speaker at international conferences. Gavin is a Fellow of the Australian Institute of Company Directors and a Companion of the Australian Institute of Engineers.

Dr Igor Skryabin (BSc, PhD, MBA, MAIP)

IP Executive

Trained as a physicist, Igor obtained his PhD in technical sciences from Moscow State University of Engineering Ecology. His 25 years of academic and industrial experience include DSC photovoltaics, fuel cells, sensors, and development of novel manufacturing and testing techniques. Igor joined STI in 1996 after an initial career in Russia followed by 4 years of providing scientific leadership to the major electrochromic project at the University of Technology, Sydney. His expertise in development and international protection of intellectual property is built on training in patent law at the Russian Academy of Science and on MBA studies at University of Canberra. Igor's publications list includes many invited international presentations, over 60 papers and book chapters and co-invention of 34 patents/applications and registered industrial designs, of which 26 are in the field of Dye Solar Cells.

Ken McKeen

Business Development Manager

Trained as an engineer in Scotland, Ken has spent most of his commercial career in strategic sales and business development, with over 20 years experience gained on three continents. Ken has held senior roles of responsibility in sales, marketing and business development, including Managing Director of International Who's Who Southern Africa, Sales and Marketing Director of Integrated Media Services UK, and in Australia as Regional Sales Director for the US engineering software provider Bentley Systems. He has been responsible for establishment of successful new operations and significant business growth. He is a hands-on business professional with broad commercial experience and performs at the highest level.

Michael Bertoz (Ass Dip Appl. Chem.)

Materials Manager

Michael joined STI in 1997 to develop processes for manufacture of the dyes for DSC. He has been responsible for establishing purification processes, scale up, and invention of the processes and equipment for application of the dye. He has also been involved as a key team member in establishment of manufacturing facilities including the design and development of mechanical tooling and jiggling. He has expertise in CAD and has co-authored 5 patents based on his inventions in dye development and application. His responsibilities include development of new formulations and processes for, as well as the manufacture of, all the key materials for the Dyesol range.

Graeme Evans (BSc, Grad Dip Management Sciences)

Manager Prototypes

Graeme joined the team in 1994 while completing his degree at UTS. He was responsible for electrochromic product development until 1997 when he took charge of the new project to develop the DSC module. From 1999 to 2001 he was responsible for installation of the pilot facilities for DSC manufacture. From 2002-2004 he managed the module manufacture and carried out a number of materials related R&D projects that have resulted in three patent applications. Graeme is a very practical scientist with a strong analytical capacity and commitment to the future of DSC. Graeme has co-authored 10 patents/applications and design registrations.

Bernard (Ben) Jausnik (Ass Dip Sci. Inst.)

Manager Equipment

Ben joined the team in 1997 as a diploma trainee. Utilising his electronics experience, he developed a range of automatic test systems for DSC. He was responsible for selection and installation of both the printing and test systems for the pilot manufacturing facility. In parallel he has developed two alternative designs for DSC modules, both of which have been patented. He is responsible for identification and selection of new equipment for turnkey manufacturing facilities and for development of control software, and for management of the industrialisation of prototype equipment.

Andrew Koplick (Ing., PhD)

Chief Chemist

Andrew has been associated with the technology development effort for nearly 20 years. He has great experience and expertise in organic and inorganic synthesis with special attention to sol-gel. His earliest patents in the 1980's were in the sol-gel field, the basic technology behind DSC. Until the mid 1990's, his work involved primarily new synthesis routes for transition metal sols. From 1997 he has been responsible for synthesis of chemicals for DSC electrolytes and modification of the electrode materials. Since 2003, he has also developed new nanomaterials for DSC. He advises the Company on all aspects of chemistry for DSC. He is author and co-author of 6 patents.

4.3 Company Secretary

Kim Hogg

Kim has worked in the private sector for the past twelve years with a boutique firm of accountants providing specialist services to clients seeking to raise capital and list on ASX. Kim has predominantly been involved in the preparation of prospectuses and in compliance work as company secretary for both listed and unlisted entities. Prior to this, he worked with Qantas for 3 years in a managerial/accounting role, and before that in similar roles with other private and public organisations, most notably Leeuwin Estate and Bridgestone Australia Ltd. He completed a Bachelor of Commerce degree in 1984 at University of Western Australia. Kim is currently secretary of ASX-listed Tanami Gold NL and Neptune Marine Services Ltd.



5.0 Corporate Governance

The Board of Directors is responsible for the overall corporate governance of Dyesol Limited, and is committed to the principles underpinning best practice in corporate governance, applied in a manner that meets ASX standards and best addresses the Directors' accountability to Shareholders. However, whilst the Company will endeavour to comply with all of the guidelines under the ASX Corporate Governance Recommendations, the Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the additional expense of compliance with all recommendations.

A brief summary of Dyesol's main corporate governance policies and practices is outlined below. In addition, the following policies and procedures have been adopted and are available for viewing on the Company's website:

- Statement of Matters Reserved to the Board
- Corporate Code of Conduct
- Continuous Disclosure Policy
- Securities Trading Policy
- Risk Management Policy
- Audit Committee Charter
- Remuneration Committee Charter
- Shareholder Communications Strategy
- Summary of Procedure for Selection of External Auditor and Rotation of Engagement Audit Partner

THE BOARD OF DIRECTORS

The Board will comprise both executive and non-executive Directors. Presently there are three non-executive Directors and one executive Director. It is Dyesol's policy to have a majority of non-executive directors.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include the quality of the individual, experience and achievement, credibility within the Company's scope of activities, intellectual ability to contribute to the Board's duties and ability to undertake Board duties and responsibilities.

COMMITTEES OF THE BOARD

The Board has established the following committees:

Audit Committee

The Audit Committee comprises three Board members, two of these being Non-executive Directors. The primary responsibility

of this Committee is to monitor the integrity of the financial statements of the Company, and to review and monitor the Company's internal financial control system.

Remuneration Committee

The Remuneration Committee comprises three Board members, two of these being Non-executive Directors. The primary responsibility of this Committee is to discharge the Board's responsibilities in relation to remuneration of the Company's executives, including share and benefit plans.

ROLE OF THE BOARD

The management and control of the business is vested in the Board. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of the shareholders.

The Board strives to create shareholder value and ensure that shareholders' funds are prudently safeguarded.

The other key responsibilities of the Board include:

- appointing, evaluating, rewarding and, if necessary, removing the Managing Director and Senior Executives;
- development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;
- monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the Company;
- overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- being satisfied that the financial statements of the Company fairly and accurately set out the financial position and financial performance for the period under review;
- being satisfied that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control processes are in place and functioning appropriately and further, approving and monitoring financial and other reporting;
- being assured that appropriate audit arrangements are in place;
- ensuring that the Company acts legally and responsibly on all matters and assuring itself that a code of business ethics has been adopted and that the Company practice is consistent with that Code; and
- reporting to and advising shareholders.

6.1 General Risks

Factors such as inflation, interest rates, levels of tax, taxation law and accounting practices, government legislation or intervention, natural disasters, social upheaval, and war may have an impact on prices, operating costs and market conditions generally. Accordingly, the Company's future possible revenue and operations can be affected by these factors, which are beyond the control of the Company.

General movements in local and international stock markets, and economic conditions could all affect the market price of the Company's Securities.

6.1.1 Economic Factors

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and stock market processes. The Company's future possible revenues and share price can be affected by these factors, which are beyond the control of the Company and its Directors.

6.1.2 Government Policy Changes

Government policies are subject to review and changes from time to time. Such changes are likely to be beyond the control of the Company and may affect industry profitability.

At present, Dyesol is not aware of any reviews or changes that would affect its business. However, changes in community attitudes on matters such as taxation, and competition policy may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's business plans or its rights and obligations in respect of its technology. Any such government action may also require increased capital or operating expenditures and could impact the Company's business.

6.1.3 Exchange Rate Risks

If Dyesol achieves success leading to significant international sales, it is likely the revenue derived from overseas markets will be in foreign currency which will expose potential income of the Company to exchange rate risks. Some sales will be denominated in United States dollars or other foreign currencies, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between various countries and the Australian dollar as determined in international markets.

6.1.4 Stock Market Conditions

Share market conditions may affect the listed shares regardless of the operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- movements in, or outlook on, interest rates and inflation rates;
- currency fluctuations;
- commodity prices;
- changes in investor sentiment towards particular market sectors; and
- the demand for, and supply of, capital.

Investors should recognise that once the Shares are listed on ASX, the price of the Shares may fall as well as rise. Many factors will affect the price of the Shares including local and international stock markets, movements in interest rates, economic conditions and investor sentiment generally. In addition, the recent world events have affected the price of shares in various sectors. Such events are unpredictable and their impact on the individual companies or markets is beyond the control of the Company.



6.0 Risk Factors

6.2 Specific Risks

In addition to the risks outlined above, there is a range of specific risks associated with the Company's business operations and its involvement in the renewable energy industry. Potential investors in the Company should note the following additional risks prior to investing:

6.2.1 Limited History

The Company was only recently formed, although the business and assets Dyesol has acquired have been in place for over ten years. Accordingly, investors should consider the Company's prospects for revenue growth in light of the risks typically encountered by companies in their formative stages.

6.2.2 Strategic Alliances

There is a risk that in managing strategic alliances and partnerships with other corporations and government entities, Dyesol may not be successful for reasons outside of Dyesol's control.

6.2.3 Clients

Customer interest and requests for quotations must be converted into orders. Dyesol will be at the beginning of commercialisation of its technology and risks not being able to convert customer interest into orders.

6.2.4 Competition

There is a risk that either other organisations currently commercialising DSC, or organisations currently providing turn-key silicon 1st and 2nd generation photovoltaic manufacturing solutions will commence development of a competitive business.

6.2.5 Scale-up

There is a risk that scale-up of the Dyesol equipment will require engineering effort and costs beyond those budgeted. To ameliorate this risk Dyesol plans to use an engineering consultant with experience in feasibility analysis, and detailed design of process plants.

6.2.6 Contractual

Revenue from subcontracting to large organisations has financial risks inherent in cash flow management.

6.2.7 Key Personnel

The prospects of the Company depend in part on intellectual property, experience and business acumen of a small number of key personnel at this time. The loss of one or more key personnel without replacement by persons of similar skill may have an adverse effect on the business.

6.2.8 Government Policy

Legislation in many countries is supportive of renewable energy, with several capital grant schemes and incentives. Changes may adversely affect the Company's financial and R&D performance.

6.2.9 Intellectual Property Risks

The brand names, trademarks and other intellectual property of the Company are regarded as critical to its success. Accordingly, the Company is reliant on regulations on copyright and trademarks and confidentiality restrictions with staff, contractors and others to safeguard its intellectual property rights. The Company has established patents and has made other reasonable efforts to protect its intellectual property. However, unauthorised use or exploitation of its intellectual property may occur and result in an adverse effect on the operating and financial performance of the Company. While the Company has made reasonable endeavours to protect its intellectual property, there is no assurance that it

may not inadvertently infringe the intellectual property rights of a third party.

The Company has obtained a warranty from the vendors of Intellectual Property that the Intellectual Property being vended in is not the subject of third party claims.

6.2.10 Technical Risks

There is a risk that the same level of performance of the Dye Sensitised Cells may not be achieved in a scaled-up production facility. However, this risk should to a large degree be addressed by using a consultant experienced in the design of process plants and by automating critical parts of the process.

6.2.11 Licensing Risk

Dyesol has entered into commercial arrangements with STI for the manufacture and distribution of DSC products, including dyes and titania pastes used in the production of dye solar cells. The rights to manufacture and sell certain DSC products are granted under licence by EPFL. A licence is currently held by STI. There is a risk that the licensing arrangements between STI and EPFL, if altered or discontinued, may affect Dyesol's operations. To mitigate this risk, Dyesol has secured an option to acquire STI, subject to further due diligence enquiries being conducted on STI. Dyesol may also consider applying for a licence in its own right.



7.0 Independent Market Research Report

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PO Box 7462, Cloisters Square WA 6850

The Directors

Dyesol Ltd

189 Hay Street, Subiaco WA 6008

1. INTRODUCTION

The Directors of Dyesol Ltd (Dyesol, the Company) commissioned HBH Consultants to prepare a market assessment report on its DSC¹ technology, to be included in a Prospectus. The Prospectus relates to the Company's proposed issue of up to 17,500,000 ordinary shares at \$0.20 each to raise up to \$A3.5M.

This Report reflects the author's direct knowledge, material provided by the company, and other sources including:

- Information services providing access to newspapers, magazines and trade journals;
- Industry, government, and multi-lateral funding agencies;
- Annual reports, profiles and websites of major industry participants;
- Roadmaps for photovoltaic (PV), and renewable energy (RE), published by a number of countries, industry associations and regional groupings; and
- Publications and reports of international agencies and networks that support the renewable energy industry from R&D to commercialisation.

To assist in evaluating what is driving the international expansion in the use of solar energy, we provide an overview of the renewable energy market place, information on Australian and international government initiatives to assist market growth, and data on the actual solar cell marketplace. Continued growth and expansion of the solar energy market is one key to Dyesol's achieving commercial success with its technology. Also, to achieve growth in materials sales, DSC manufacturers will need to achieve an increasing share of the solar cell marketplace, either by competition with classical silicon solar cells, or by capturing a share of market growth. For that reason, DSC and silicon solar cells are compared. Finally, the opportunities and challenges facing Dyesol in meeting its equipment supply and materials supply objectives are reviewed.

2. SOLAR PHOTO-VOLTAIC INDUSTRY OVERVIEW

2.1 SOLAR ENERGY

Renewable energy is energy derived from a renewable source. Sources such as sunlight or solar energy, and others such as wind, wave, tide, biomass and hydro energy, are renewable. PV is a technology that converts sunlight into electricity.

By its nature, solar energy is intermittent and diffuse. Sunlight must therefore be collected, converted, and possibly stored until the consumer requires the energy. The DSC technology is a PV solar power system that collects and converts sunlight into electricity.

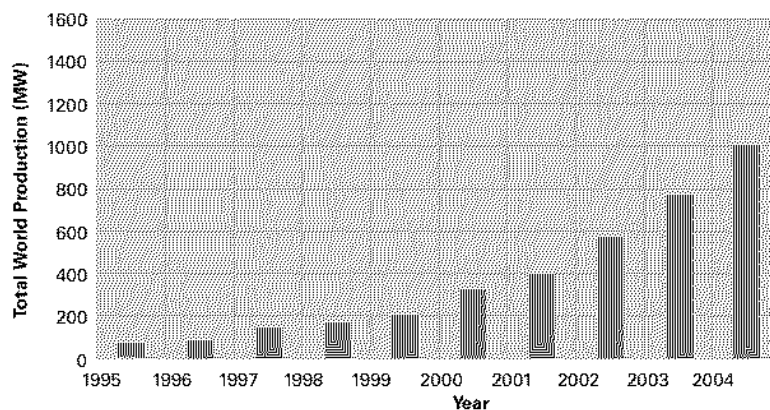
¹Dye-Sensitised Cell or Dye Solar Cell

2.2 CURRENT MARKET AND APPLICATIONS FOR PHOTOVOLTAIC SYSTEMS

First generation mono-crystalline and multi-crystalline silicon solar technologies currently dominate the market. Second generation thin film technologies, principally amorphous silicon, and more recently copper indium diselenide (CIS) are now achieving market growth. Of the third generation solar technologies, DSC is the most advanced commercially available product to reach a market that is experiencing unprecedented growth. New processes, in particular DSC, are leapfrog technologies with the potential to revolutionise the industry and drive down production costs².

World-wide PV production has grown at around 30% per annum over the last decade, as shown in Figure 1. Production grew from 560MW³ in 2002, to approximately 1 GW⁴ in 2004.

Figure 1 PV Production Growth⁵



Large volume production of PV cells and modules will continue to be a major driver in continuing the downward costs trends for PV. The cost of the silicon cells will continue to dictate module production costs, opening the way for new technologies with lower input costs to emerge and take market share, albeit from a low starting base. Costs will generally continue to fall as economies of scale are achieved, learning increases, and technological advances occur. New technologies entering the market must be able to compete against this falling market price, or have other selling features to facilitate capturing market share. DSC technology is uniquely positioned as it has inherently low input costs, and low embedded energy enabling a relatively short energy payback period. Dyesol has a commercial product ready to enter the dominant segment of the PV market.

² European Roadmap for PV Research and Development 2004. Overview of "PV Roadmap towards 2030" PV 2030. June 2004 NEDO Japan.

³ MW = Megawatt, 1000kW

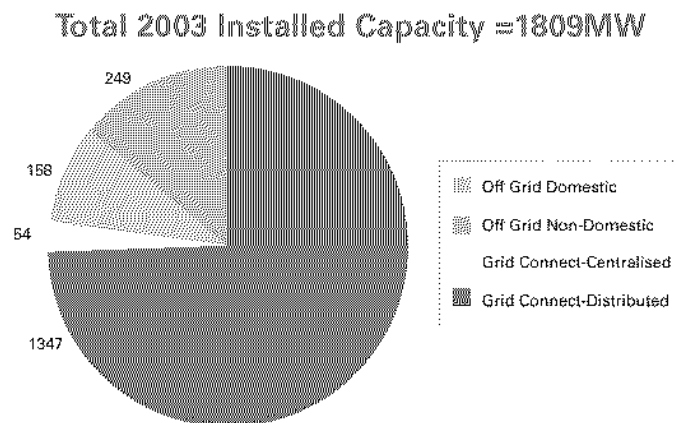
⁴ GW = Gigawatt, 1000MW

⁵ Source: A. Jager-Waldan: PV NET European Road Map for PV R&D 2004 (EUR 21087 EN) with additions for 2004 by HBH.

7.0 Independent Market Research Report

The use of PV in OECD / IEA⁶ countries, as shown in Figure 2, has changed from mostly off-grid application⁷ to grid-connected systems, with distributed generation leading this growth. Government policy and programs operating in a number of IEA-reporting countries have policies and programs which drive the growth of distributed grid-connect systems. Of the estimated 476MW of PV power installed in reporting countries in 2003, 428MW was for grid-connected systems, with Germany and Japan alone accounting for 347 MW of this capacity. Although most new PV capacity is grid-connected, off-grid installation is still most important in many developing countries, where rural electrification is the highest priority. However, distributed generation can also improve the use and performance of rural grids, providing a new market for PV systems.

Figure 2 Installed PV Power IEA Reporting Countries⁸



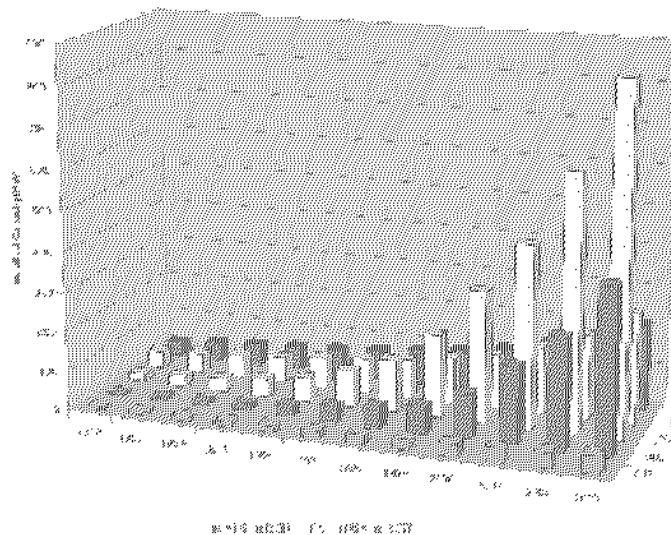
⁶ Organisation for Economic Co-operation and Development / International Energy Agency

⁷ Grid systems refer to the electricity supply system, from generation to consumers

⁸ Source: International Energy Agency: PVPS: Trends in Photovoltaic Applications- Survey of selected IEA Countries between 1992 and 2003. IEA-PVPS T1-13:2004

Japan and Germany have instituted policies which have enabled their PV industries to scale up manufacture and become the world's lowest cost producers, and major exporters. While the Australian Government has a policy to facilitate the uptake of renewable energy, this policy differs from that operating in Germany and Japan, where PV technology is specifically encouraged through higher electricity buy-back rates or other mechanisms. The impact of these beneficial policies is obvious in Figure 3 where generally Australia, USA, and the rest of the OECD have grown at similar rates (around 6 times 1993 capacity), whereas Germany and Japan have increased 73 and 45 times 1993 capacity, respectively.

Figure 3 Cumulative Installed Capacity IEA Countries



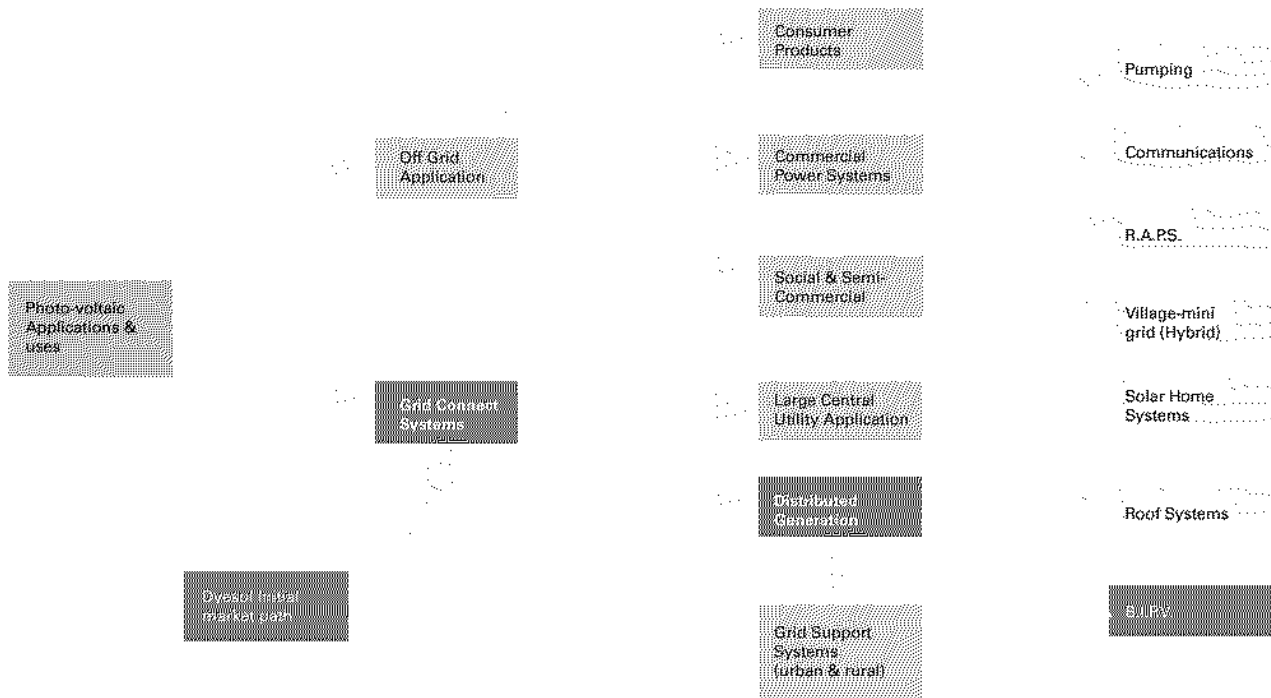
The current PV Market exceeds US \$5 Billion. If historical growth rates are maintained, the future market for PV will be significant. Key to the uptake of PV is the cost of electricity produced by PV systems, and the current downward trend of the cost of electricity from PV will need to be maintained.

The influence of module prices on the cost of PV electricity is decreasing, and providing other system components needed to control, condition and store energy, and thus to provide a reliable source of electricity, will become the principal cost in PV generation. This "balance of system" ("BOS") equipment varies with the particular PV application. Grid-connect PV generation requires inverters which convert the renewable energy DC source to AC electricity at the correct voltage and frequency for connection to the utility grid. For mini-grid systems conventional alternating current (AC) power is normally required. Batteries connected to the inverter store energy when excess generation occurs, and deliver energy when the renewable resource is not available.

2.3 MARKET SEGMENTATION

Figure 4 presents the broad market segments now addressed by renewable energy systems, with emphasis on PV applications. RE applications range from grid-connect central electricity generation, distributed generation and stand-alone systems. Some technologies are better suited to remote applications, but all technologies depend on the available renewable energy resource.

Figure 4: PV Market Segmentation



The applications in this figure range from strictly commercial applications to those reliant on government subsidies, or environmental and social programs.

Dyesol's market entry will be through manufacturers of BIPV⁹, as highlighted in figure 4. BIPV is part of the largest market segment for PV systems, namely grid-connect distributed generation. DSC technology is ready for immediate commercialisation through scaling-up of manufacture. Other market areas will potentially open up for Dyesol when it releases its lower cost flat panel module designed for general power production.

3. INDUSTRY DRIVERS

3.1 GENERAL TRENDS

World electricity demand is growing rapidly, with the developing world dominating future electricity growth; for example, total demand in Asia is expected to double by the year 2020¹⁰. Economic growth drives electricity demand, but concerns about the environmental impact of this significant increase in electricity generation capacity provides a major opportunity for all forms of "clean" electricity to grow their market share. The opportunity exists for clean energy projects and emissions trading, as global warming is broadly recognised as one of the major threats facing humankind.

⁹ "Building Integrated Photo-voltaic"

¹⁰ Kokichi Ito: "Asia/World Energy Outlook- Burgeoning Asian economics and the changing energy supply- demand structure", The Institute of Energy Economics, Japan (IEEJ) March, 2004

Electricity generation is the single biggest emitter of greenhouse gases in Australia, accounting for at least one-third of total emissions¹¹. Electricity consumption is growing more rapidly than forecast when the emission target was established¹², and when Australia established its Mandatory Renewable Energy Target (MRET)¹³ as one measure to help limit its CO₂ emissions. The Department of Industry Tourism and Resources in conjunction with industry subsequently developed the "Renewable Energy Action Agenda" to help facilitate the growth of the renewable energy industry and promote exports.

3.2 KYOTO PROTOCOL TO THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

The most significant global environmental driver is the Kyoto Protocol, an international treaty of the United Nations ratified by 141 Nations, which came into force on 16th February 2005. The United Nations Conference on Climate Change, in Kyoto in December 1997, created targets for reduced carbon dioxide emissions for individual countries, focussing on industrialised countries responsible for the greatest share of emissions. The Kyoto Protocol called for an average cut in global carbon dioxide emissions of 5.2% of the 1990 level by 2008 to 2012, and for large industrialised countries to cut their emissions by 6% to 8%.

Under the protocol three market-based mechanisms operate:

- Emissions trading of emission reduction units (ERUs) between developed nations
- Joint Implementation (JI) which enables ERUs to be acquired by developing and financing projects
- Clean Development Mechanism (CDM) that enables developed nations to acquire certified emission reduction units (CERs), by developing and financing projects in developing nations.

While not willing to ratify the Kyoto Protocol, the Australian Commonwealth Government is still committed to achieve its target 108% of CO₂ emissions by 2010¹⁴, and regularly reports that the nation is on track to do so.

Developing nations such as China and India will also eventually move to reduce their emissions, presenting further opportunities for RE industry participants such as Dyesol.

The Kyoto Protocol provides for companies and governments to offset some of the greenhouse gas emissions by investing in carbon "sinks". Emission trading allows an organisation, which has committed to a reduced target and reduces beyond that target, to sell its excess units to another organisation unable to meet its commitments. Article 17 of the Kyoto agreement states that International trading should be "supplemental" to domestic action to meet emission reduction commitments. The proliferation of companies trading in carbon credits is testimony to high levels of interest in this domain.

¹¹ Australian Government's Energy Task Force; Department of the Prime Minister and Cabinet: "Securing Australia's Energy Future" ISBN 0 646 43547 7, Commonwealth of Australia, 2004

¹² Australian EcoGeneration Association Powering Australia's Future – Meeting Australia energy needs, creating jobs and cutting greenhouse emissions August, 2001

¹³ MRET was initiated in 1997 as part of the Prime Ministers 1997 Statement "Safeguarding the future: Australia's Response to Climate Change." MRET is underpinned by the Renewable Energy Act 2000, and by supporting legislation and regulation. A review of MRET was conducted in 2003 and reported in Australian Government Renewable opportunities – A review of the Renewable Energy (Electricity) Act 2000 published September 2003.

¹⁴ Australian Government's Energy Task Force; Department of the Prime Minister and Cabinet: "Securing Australia's Energy Future" ISBN 0 646 43547 7, Commonwealth of Australia, 2004



7.0 Independent Market Research Report

3.3 INTERNATIONAL PROGRAMS

There are many programs aimed at boosting the investment in and uptake of RE technologies in developing countries. These programs involve a mixture of Multilateral and Bilateral Funding Agency Support, and programs generated within the country.

The **International Energy Agency (IEA)** is running various programs and activities including the Photovoltaic Power Systems Programme – a collaborative R&D agreement conducting projects on the application of photovoltaic electricity, and Emission Trading Scheme Options.

The **World Bank (WB)** manages a range of carbon finance products whereby wealthier countries can purchase certified emission reduction credits from poorer nations. As an example in Europe, the WB has established prototype carbon funds in Hungary, Poland and the Czech Republic and is developing one for Indonesia, and hosts a range of projects including the Quality Program for PV. Throughout developing countries a spectrum of programs are in place, including the Asia Alternative Energy Program established in 1992 to mainstream alternative energy (RE and energy efficiency) in the World Bank's power sector lending operations in Asia.

The World Bank is working with the Chinese Government on establishing the World Bank/Global Environment Facility (GEF) China Renewable Energy Scale-up Program (CRESP). China has an ambitious program, with targets for RE of up to 10% of all electricity generated being suggested.

The **Asian Development Bank (ADB)** recognises that lack of access to reliable power supply limits economic development, and each year invests substantially in increased and cleaner power supplies. The ADB is helping small- and medium-sized firms in Asia to invest in energy efficiency and RE employing clean technologies, through an equity investment of US\$20 million. ADB's fund will provide capital, project expertise, and international and emerging market experience to catalyse energy efficiency and RE markets in Asia.

The **United Nations Development Program (UNDP)** stated in 2000 through the Millennium Declaration that energy was central to concerns about sustainable development and poverty reduction, for the two billion people worldwide lacking access to electricity and almost as many relying on traditional fuels to meet their cooking and heating needs.

The **Global Environment Facility (GEF)**, established in 1991, helps developing countries fund projects and programs that protect the global environment. GEF grants support projects related to biodiversity, climate change, international waters, land degradation, the ozone layer, and persistent organic pollutants. The GEF provides funding to overcome barriers and help meet the additional cost of renewable energy projects.

The **European Union (EU)** is committed to Kyoto with emission targets established for all member countries. The EU has various programs and activities assisting clean energy initiatives. Many European countries have policy platforms that provide significant support for renewable energy, an example being Germany with its Feed-in Law provisions¹⁵. Countries that have successfully used feed-in tariffs have policies obliging utilities to permit easy access to the grid for renewable energy producers, and transparent pricing.

¹⁵ These laws were in force from 1990 until April 2000, when Germany enacted the Renewable Energy Sources Act, which has a similar stimulatory tariff structure favouring electricity generated from renewable sources, but shifts the payment of tariffs from utilities to grid operators. Under both laws power generated by renewable means was guaranteed a market, at a tariff which made investment in RE attractive.

In Asia, renewable programs operate in many countries. Thailand, for example, recently announced an ambitious RE/rural electrification program to provide power to 550 interior villages without access to reliable electricity supply, and to several coastal islands in a similar situation. This programme is likely to be replicated in the neighbouring Mekong countries.

The provision of electricity to rural areas without access to the grid will remain a large market for PV systems, throughout the developing world.

3.4 AUSTRALIAN GOVERNMENT POLICY¹⁶

Australian government policy has helped support the recent surge in RE development, but RE's share of total energy consumption remains small relative to non-renewable sources. Continuing government funding and policy support is needed to assist further growth in the RE industry. The Commonwealth Government's Mandatory Renewable Energy Target (MRET) remains the most important government initiative for industry growth, but after 2007 investment is expected to stagnate. An increase in the MRET target, and extending its validity time, would provide an immediate catalyst for further industry expansion. This is unlikely, however, if recent Government statements are any indication.

Other Government initiatives relevant to Dyesol's operations include:

The **Renewable Energy Development Initiative** which provides matching competitive grants of \$50,000 up to \$5 million totalling up to \$100 million to undertake development of RE technologies;

Commercial Ready offering competitive grants from \$50,000, up to a limit of \$5 million for eligible projects to small and medium size businesses for research and development, proof-of-concept, and early-stage commercialisation;

State, territory and local governments actively promote renewable energy, assisting industries in the commercialisation and use of sustainable energy technologies, and providing policy initiatives.

4. THE PV & DSC MARKET

4.1 PV MARKET GROWTH

RE is a rapidly growing multi-billion dollar market. PV is an important segment of the industry, benefiting from public perception that it is the cleanest and least obtrusive energy generation system available. The PV industry is a priority sector in many countries, evidenced by the number of PV roadmaps established globally.

Apart from the environmental benefits, PV offers other direct benefits including:

- PV system output typically coincides with high electricity demand;
- PV can be located close to sites where electricity is consumed, reducing transmission costs and increasing the reliability of services delivered; and
- PV is inherently modular, so capacity can be added in smaller increments to match demand, thereby deferring capital investment.

¹⁶ Australian Government; Securing Australia's Energy Future; AusIndustry Fact Sheet; Commercial Ready; Department of Industry, Tourism and Resources and Australia Greenhouse Office – Renewable Energy Development Initiative (REDI)- Discussion Paper July 2004



7.0 Independent Market Research Report

Our analysis focuses on the immediate and medium-long term market potential for PV and the Dyesol product range.

Typically, for every 100MW/a of production capacity created in the developed world, the manufacturing facility will represent an investment of about US\$300M. Thereafter, PV production will require between US\$150M and US\$180M per annum in material inputs. When the balance of system components are included, the production facility will generate each year between US\$500M and US\$600M of sales into the wholesale market. While these approximations relate to current silicon cell technologies, and other new PV technologies now entering the market, we expect that the investment-revenue model will be broadly similar for DSC, when it is mass-produced.

4.2 DSC MARKET GROWTH FORECAST

DSC has considerable manufacturing advantages over crystalline silicon, because it uses non-toxic materials in manufacture, and has low embedded energy.

In our investigation and analysis we have not identified any factor that suggests that growth of the PV industry will be curtailed in the short term. Historical performance is no guarantee of future growth, however, and in the longer term it may be difficult to maintain growth at current levels.

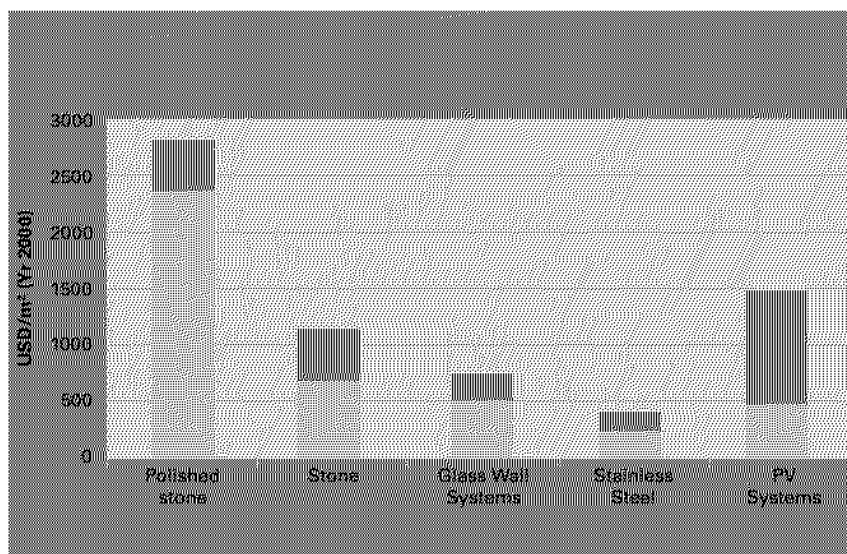
The European PV Roadmap¹⁷, indicates that over time, new generation technologies will gain market share at the expense of conventional crystalline silicon technology. The Dyesol DSC BIPV product (manufactured under licence by others) is entering the fastest-growing segment of the PV market, grid-connect distributed generation. Dyesol's technology is ready for commercialisation; is less sensitive to competition, as it is competing against relatively expensive cladding material; and it offers the added advantages of generating electricity for the building while creating environmental benefit. This technology is well positioned to capture market share.

Dyesol technology will initially compete in one market segment, but Dyesol's market will potentially increase when it introduces its flat DSC power module. In our analysis we assume lower uptake of DSC technology generally because of intense competition by other PV technologies, and the current large growth of the PV market, which to some degree will favour the more established manufacturers. However, the outlook for Dyesol should be positive if its DSC cost and production targets are achieved.

¹⁷ A. Jager-Waldan: PV NET European Road Map for PV R&D 2004 (EUR 21087 EN)

Installations of grid connect BIPV systems are growing rapidly in Japan, Europe, and the USA. It is estimated that by using building stock in industrialised countries it is feasible to generate between 15-50% of electricity needs from building surfaces. BIPV offers an alternative to conventional cladding and window systems, and in figure 5 PV is compared with building materials commonly used in higher value buildings. This figure clearly demonstrates that PV and DSC can be competitive. In addition PV/DSC technology is able to lower the building operating cost by generating electricity, thereby reducing greenhouse emissions associated with the building operation. Using buildings as generation plant avoids the need to secure land for generation, and distributed generation can improve security of supply. It is reasonable to expect that any lowering of PV(DSC) production costs may have a positive impact on DSC market acceptance. Generally, lower production costs for new technology are achieved when manufacturing scale increases. Dyesol is currently the only commercial producer of DSC BIPV product, but this will change when Dyesol licenses its technology to other manufacturers, and the scale of DSC manufacture thereby expands.

Figure 5: Competitiveness of PV in Building Facades¹⁶



¹⁶ Source: International Energy Agency: Renewables for Power Generation. Status and Prospects. 2003 Edition OECD.



7.0 Independent Market Research Report

Other off-grid and commercial PV power applications are more suited to the Dyesol flat panel power module scheduled for release after 2006. This product will be cheaper to produce than the building integrated product, and therefore more competitive against other photovoltaic technologies. The ability of DSC to operate effectively in less than ideal environments is a positive factor in entering this diverse market. In particular, the DSC technology should be ideally suited for the off-grid market in Asia, as it is less affected by climatic conditions, including cloud and haze, than is current PV technology. The commercial applications in both the off-grid and grid-connect markets will generally be decided on cost and performance.

Despite the large investment made to date for rural electrification, the world population without access to a reliable electricity supply has hardly reduced. Many countries prioritise providing electricity to the rural poor, to address social imbalance and to limit uncontrolled migration of rural people to urban centres where the infrastructure cannot cope. Potentially, off grid electrification is an enormous market. Systems are becoming larger as populations become better educated and expectations increase. To provide an average 40 Watts per head (which includes community, shared facilities and pumping) to the 2 billion people now without electricity represents a potential market of 80GW, which is approximately 30 times the current world installed capacity. Various forms of supply, including grid extension, small hydro, PV and wind will address this market, but PV will play a major role. In some cases PV is the only practical option for isolated communities.

4.3 DYESOL DSC BUSINESS STRATEGY

As stated elsewhere in this report, worldwide production of PV modules has been growing at around 30% annually for the last decade, with production capacity increasing by more than 300MW in 2004. While past performance provides no guarantee for the future growth, it does indicate the considerable global investment currently occurring in production facilities and equipment, and production materials. The potential market for Dyesol products is therefore large.

The main business activities of Dyesol are stated to be:

- Providing turn-key manufacturing facilities for manufacturing DSC PV modules;
- Supply of chemicals, pastes, dyes, and other materials used in the production of DSC cells and modules; and
- Providing Professional Services, and turnkey engineering solutions for the manufacture of DSC PV modules.

These business objectives fit well with the approximate costs and revenues for PV manufacturing capacity, as set out previously. Dyesol should be able to benefit from the initial capital cost of any DSC production facility using Dyesol's technology under licence; Dyesol should ensure that it participates in meeting some of the annual demand for DSC production feedstock; and Dyesol should support its manufacturers and marketers to develop the future market for its DSC technology, via its professional services offerings.

There are many companies now supplying equipment for crystalline silicon PV module assembly, and this business model works. Dyesol is unique, as it has no major competitors in its DSC target markets, and is ideally positioned to provide equipment, knowledge, and the dyes, pastes, chemicals and specialist materials necessary to produce panels.

The selection of suitable joint venture manufacturing partners will assist Dyesol to enter international markets. We understand that Dyesol's priority markets, apart from Australia, will be Europe, North America, selected countries in the Asia region, the Middle East and the African region .

DSC technology enjoys a number of perceived environmental benefits over the main competitors to DSC technology, which are the existing PV manufacturers, and possibly the suppliers of PV manufacturing equipment, and emerging companies with thin film technologies. DSC has low

embedded energy and therefore a low energy payback period. The manufacturing process is relatively benign, produces little waste, and does not use the toxic and hazardous materials employed in the manufacture of competitor PV technologies. This clean image will enable Dyesol to position DSC technology in the green and ethical markets.

4.4 MARKET ACCEPTANCE OF DSC TECHNOLOGY

Consumers go through five stages in the process of adopting a new product: awareness, interest, evaluation, trial, and adoption, with each stage contingent upon acceptance by different customer groups.

PV production has grown consistently at around 30% for the last decade. Crystalline silicon PV power technology is a mature consumer product in a number of applications and markets. DSC is an emerging technology requiring a comprehensive marketing strategy to gain market share. This represents a challenge for Dyesol and its licensed manufacturers, because they must move through the adoption cycle as quickly as possible, and gain market share.

Dyesol's aim, to supply technology, equipment and products through third-party manufacturers, is a sound strategy for a relatively small company, as it minimises the high investment required to establish manufacturing facilities. Suitable JV manufacturing partners with good networks and connections will provide considerably more marketing resource to increase DSC adoption by consumers.

5. COMPETITIVE ANALYSIS

5.1 COMPETITION

The Australian RE industry is characterised by a relatively few large companies and energy utilities, and many small operators. Australian publicly listed companies operating in the field number 20 or more. More utilities and larger corporations are entering RE technology and project development. Also, there are many unlisted companies operating in the field, but no Australian group has an equivalent suite of intellectual property, or is as advanced as Dyesol in commercialising DSC technology.

Globally, there is greater competition for DSC. Several major oil companies have significant RE interests or investments, and some major Japanese industrial conglomerates also have significant PV interests. Emerging technology companies are developing lightweight portable solar power generators, polymer PV systems, organic solar cells, and dye-sensitised cells. We believe that an American competitor is developing a lightweight cell using DSC that it claims can be used in many applications. This company has a range of industry partners and investors, technology collaboration agreements, and appears to be relatively well capitalised. This example of activity in DSC technology shows how important it will be that Dyesol maintains and expands its IP protection, remains vigilant regarding potential competitors, and is first to market with commercial product.

While many of the companies developing DSC are potential competitors, they are also potential clients in purchasing DSC materials from Dyesol. The three business activities that Dyesol is proposing to follow are discussed below, in terms of competition:

DSC Materials

Dyesol must be able to compete on price, offer quality products and produce in volume to achieve market dominance. There is only limited competition for Dyesol at this stage.



7.0 Independent Market Research Report

DSC Equipment and manufacturing solutions

For silicon PV, there are at least 20 companies offering manufacturing solutions, and many companies providing individual equipment used in manufacture and testing. While all the current suppliers of manufacturing equipment are potential competitors, they are potential alliance partners, because by working with Dyesol they will be able to enter a new growth market for which they have no IP. Dyesol has the only commercial manufacturing facility and product, and is in an excellent position to capitalise on this, provided it can scale up production in a timely manner.

DSC Technology Services

To date most organisations have attempted to do their own feasibility studies, although significant contracts in the past were awarded to Sustainable Technologies International (STI) (for the technology now owned by Dyesol) to assist companies with DSC feasibility studies. At the academic level, some leading institutions have undertaken some consultancy services, but Dyesol will be one of the first commercial organisations to offer consultancy services in this arena. On completing the engineering to scale-up production, Dyesol will be in a prime position to provide technology services.

There is limited direct competition to Dyesol. However, competitors to Dyesol's manufacturing partners can directly impact on the Dyesol business model, and limit growth. Within Australia, the key competitors for Dyesol would be those publicly listed and multinational companies with solar businesses, and multinational PV companies. These companies would compete by introducing products and establishing alliances in the market areas in which Dyesol or its joint venture partners operate.

Globally, the competition will be agents and offshoot companies of the major US, European and Japanese PV manufacturers and equipment suppliers, primarily through their ability to impact on the market for DSC products. Local industry in some countries will also provide competition, but may also be potential early clients wanting to purchase products, while others may be partners in project development.

There is a risk that other companies currently developing DSC technology, or organisations currently providing turnkey silicon first and second-generation photovoltaic manufacturing solutions, will become direct competitors. They may achieve this because of the resources they have available to enter the market. It is therefore important that the Dyesol marketing strategy sets out to gain early commitment from strategic partners and manufacturers.

5.2 Barriers

The barriers RE technology faces in growing its market share are generally recognised to be:

- Resource - the unreliability or intermittent nature of most green energy is often viewed as a negative;
- Planning Approvals – every level of government, local, state and federal, has different requirements;
- Price – the often high initial capital cost of renewable energy systems;
- The reliability and cost of supporting technologies, such as batteries; and
- Labour costs - Photovoltaic equipment assembly can be a labour-intensive batch process. Costs have fallen sharply as mass production techniques have been introduced.

The cost of PV electricity also depends heavily on low-technology problems including weatherproofing, mounting and providing suitable environment for balance of system equipment.

Where Government policy dictates an increasing share for RE generators, such as MRET has in Australia, the market has addressed these normal barriers. Grid connect systems eliminate some of the less reliable balance of system equipment. For off grid applications there has been considerable work done to establish quality standards, and to introduce accreditation to increase performance and reliability of systems, by having better equipment installed correctly.

Given community attitudes, Dyesol and its clients can expect cooperation rather than insurmountable barriers to entry in most future markets, as evident in the phenomenal growth achieved by PV technology in a number of global markets.



7.0 Independent Market Research Report

6. CONCLUSIONS

Based on the available literature HBH Consultants concludes:

- The market for RE systems is growing rapidly. The photovoltaic market is the sector within which Dyesol operates, and the likely ongoing growth of this sector provides the Company with its opportunity to enter the market.
- The European PV roadmap¹⁹ has identified DSC as an emerging technology.
- Dyesol has an established international professional and scientific network. In our view, this network must be expanded to include commercial linkages for Dyesol to achieve commercial success with a leapfrog nano-PV technology.
- The need for countries to find new sources of environmentally friendly energy systems over the next decade to meet international commitments will continue, resulting in growing investment in renewable energy technologies and projects.
- If cost reduction trends continue the cost of PV electricity will approach the retail price of electricity, acting as a catalyst for increased use of PV power systems. Dyesol may benefit from this trend, and from greater acceptance in the market of PV systems generally.

7. ACCOMPANYING NOTES

Consent

HBH Consultants has given its consent in writing to the issue of the Prospectus with this Report in the form and context included in the prospectus, and has not withdrawn its consent before the lodgement of the Prospectus with the Australian Securities and Investments Commission.

Disclosure

This Report is an independent report. HBH Consultants does not have any material pecuniary interests in Dyesol Ltd. The payment of fees to HBH for the preparation of the Report is not contingent upon the outcome of the Prospectus.

¹⁹ A. Jäger-Waldan: PV NET European Road Map for PV R&D 2004 (EUR 21087 EN)

Assumptions and Qualifications

HBH Consultants has relied upon information on the RE market from various reputable Australian and international sources. Whilst we have used our best endeavours to validate the data, no warranty of accuracy is given to the information contained in this report and obtained from these sources. Any estimates discussed in this report were derived from available data as at February 10, 2005.

There is no direct reference to the sales potential of Dyesol Ltd in this report, as this largely depends on market acceptance of DSC technology and the marketing ability of the company and its partners.

This report has been prepared for the purpose of inclusion in a Prospectus to be issued by Dyesol Ltd. The contents of the report should be read in its entirety and within the context of the scope of the report. The report findings are based entirely on research and analysis conducted by HBH Consultants.

About the Author

HBH Consultants provides independent professional advice to national and international clients. HBH has completed many pre-feasibility and feasibility studies; designed and managed the construction of various process plants; and provided advisory and strategic advice to clients. The consultancy recently completed a feasibility study for the establishment of a photovoltaic manufacturing facility in Perth.

The author is a founding principal of HBH Consultants. During his career he has been a director of Government enterprises, a publicly-listed company and several private companies. He was the Chairman of the International Centre for Application of Solar Energy from 1994 – 2003, which provided him with insight into the renewable energy industry, the market and the industry drivers.

Peter F. Hopwood, B E, PhD, FAICD, FIEAust, CPEng

Principal

16 June 2005

GRIFFITH HACK

PATENT AND TRADE MARK ATTORNEYS

The Directors
Dyesol Ltd
11 Aurora Ave
QUEANBEYAN NSW 2620

22 April 2005

Dear Sirs

Dyesol Ltd - Intellectual Property Portfolio

Our Ref: JT:LWR:GHB:GF53005:GM53005

We are instructed to provide a report on the intellectual property portfolio of Dyesol Limited for the purpose of inclusion in a prospectus. We have verified the intellectual property portfolio from Patent Office records and documents in our files and records. Schedule A to this letter comprises that portfolio.

Summary

We conclude that Dyesol has entitlement to ownership of the intellectual property in the schedule.

Dye Solar Cell Technology

Our instructions on the technology involved are as follows. In a Dye Solar Cell ("DSC"), a dye is absorbed on a semiconductor. A photovoltaic effect occurs if the dye is excited by a photon of light. This results in the injection of electrons into the conduction band of the semiconductor. These electrons give rise to a potential difference which can provide an electric current. Use of porous nanoparticulate titanium dioxide for the semiconductor has been found to result in production of sufficient electric current to provide solar cells suitable for commercial applications. The intellectual property portfolio of Dyesol relates to the field of DSC technology in the following areas:

- Materials for use in DSC
- Processes and equipment for manufacture of DSC
- Designs and applications of DSC devices

Nature of Intellectual Property Rights

The term "intellectual property" is used to refer to inventions capable of protection under patent laws (maximum 20 years), industrial designs for the appearance of articles protectable under design laws (of differing terms in different countries) and distinctive trademarks registrable under trademark laws (potentially perpetually). Intellectual property rights are intangible assets which legally constitute property capable of being transferred and licensed together with confidential information and technical know-how relating to the protectable intellectual property. Intellectual property rights arise and are granted in particular jurisdictions in which the applicant chooses to make application.

GRIFFITH HACK

PATENT AND TRADE MARK ATTORNEYS

22 April 2005

The application procedure varies from country to country. In some jurisdictions a substantive search and examination is made of the application whereas in others there may be automatic grant of rights. In both cases, however, there is no guarantee that the rights are valid and enforceable. Generally, in all jurisdictions, applicable laws provide for an opportunity for review, the most common grounds for review being based on prior art evidence which raises issues as to whether the requirements for validity are met. For example, in the case of patent rights, each claim in a patent specification must be of a scope delimited to novel and inventive subject matter over the prior art. Thus, in general a review might find some broader claims invalid but narrower claims valid and enforceable.

Upon grant of a patent, the patent owner *prima facie* has the right to a monopoly in respect of the invention as defined in the patent claims and may deal in the property rights arising, for example by licensing.

The grant of patent or design rights does not, however, grant the right to the patent owner to exploit the invention or any embodiments of the invention that may be described in the patent specification. The general proposition is that, with respect to a particular jurisdiction, if a subsisting patent exists and validly claims a monopoly within the scope of which the commercial embodiment of a later applicant fits, then the later applicant has no right to exploit until either a licence is granted or the prior patent expires.

Intellectual Property Portfolio of Dyesol Limited

The **attached** schedule identifies the current status, the inventors and the current registered applicants or owners of the particular cases. Where the current registered applicant was not the first applicant, such as where a change of ownership has been recorded, the name of the first applicant is shown in brackets. We have verified that the details in the schedule are correct by consulting the public records of each respective patent office.

Entitlement from Inventors and Authors

Griffith Hack has been provided with copies of documents including employment agreements and assignment deeds relating to the inventors named in respect of each patent or patent application and relating to the authors named in respect of the design registrations. We are also advised that the employees listed in item 1 below were subsequently employed by Sustainable Technologies International Pty Ltd from 10 November 2000 pursuant to the Sale of Business Agreement of item 12 below. Based on the foregoing, we conclude that ownership is vested in the first applicant for all of the intellectual property in the schedule.

The employment contracts and assignment deeds supplied to us comprise:

1. Employment contracts relating to employment by Sustainable Technologies Australia Limited of Michael Bertoz, Sylvia Tulloch, Jason Hopkins, George Phani, Bernard Jausnik, Graeme Evans, Gavin Tulloch and Igor Skryabin.
2. Patent Application Assignment between Sustainable Technologies International Pty Ltd and George Phani, Jason Hopkins, David Vittorio and Igor Skryabin.
3. Patent Application Assignment between Sustainable Technologies International Pty Ltd and George Phani, Jason Hopkins, and David Vittorio.

GRIFFITH HACK

PATENT AND TRADE MARK ATTORNEYS

22 April 2005

4. Assignment of Invention between Sustainable Technologies Australia Limited and Joseph Koplick and Marie Jenkins.
5. Invention Assignment between Sustainable Technologies International Pty Ltd and Michael Sundman.
6. Invention Assignment between Smart Technologies Australia Pty Ltd and Michael Helmrich, Bernard Jausnik, George Phani and Igor Skryabin.
7. Invention Assignment between Sustainable Technologies International Pty Ltd and Andrew Koplick
8. Invention Assignment between Smart Technologies Australia Pty Ltd and Graeme Evans and Igor Skryabin.
9. Invention Assignment between Dyesol Pty Ltd and Michael Bertoz.

Chain of Title to Dyesol Limited

Griffith Hack has been provided with copies of four agreement documents which affect rights of ownership in respect of intellectual property and we conclude that the four documents have the effect of vesting ownership of the intellectual property in the schedule in Dyesol Pty Ltd. We are advised that Dyesol Pty Ltd is the former name of Dyesol Limited. In our opinion, the lodgement of the four documents, as well as proof of the change of name from Dyesol Pty Ltd to Dyesol Limited, at respective Patent Offices should lead to Dyesol Limited being recorded as legal owner of the patent rights in question. The documents prescribe post-execution obligations and a particular patent office may require evidence of discharge of those obligations prior to recording a change of ownership. In this regard, we do observe that the agreements provide that each party must execute further documentation as required to effect a recordal of a change of ownership in respect of intellectual property.

The four agreement documents supplied to us comprise:

1. Asset Sale Agreement between Greatcell Solar S.A, Dyesol Pty Ltd, Sustainable Technologies International Pty Ltd and Tulloch Management Pty Ltd
2. Sale of Assets Agreement between Sustainable Technologies International Pty Ltd, Dyesol Pty Ltd and Smart Technologies Australia Pty Ltd
3. Sale of Business Agreement between Sustainable Technologies Australia Limited and Sustainable Technologies International Pty Ltd
4. Assignment Deed between Sustainable Technologies International Pty Ltd and Dyesol Pty Ltd.

Scope of Report

Griffith Hack has not effected or seen any freedom to operate search reports to verify whether any third party patent rights of earlier date may in any way restrict, in particular jurisdictions, exploitation of any invention in the attached portfolio of intellectual property rights.

GRIFFITH HACK

PATENT AND TRADE MARK ATTORNEYS

22 April 2005

Griffith Hack has not effected or commissioned any prior art searches to determine whether any particular patent claims in the portfolio would be likely to be held valid or not. The application procedure in many patent offices including the United States Patent and Trademark Office, the European Patent Office and the Australian Patent Office includes the effecting of prior art searches to determine whether the claims are delimited to novel and inventive subject matter. Regard has been had to such search reports in the management of the intellectual property portfolio and subsequent processing of individual patent applications in particular countries.

Disclosure of Interests

Griffith Hack has been retained to manage the intellectual property portfolio which is based on patent specifications which, we are informed, were prepared by Dr Igor Skryabin who is named as inventor for many of the patents and patent applications listed in the portfolio. These specifications and other briefing materials were supplied to Griffith Hack for subsequent management. In relation to applications for protection outside Australia, Griffith Hack has assumed management responsibility and arranged foreign filings through our network of associates overseas.

Griffith Hack and its Principals have been remunerated on a normal fee for service arrangement and do not have any interest in Dyesol Limited or any associated entity and neither does Griffith Hack have any contingent fee entitlements from Dyesol Limited or any associated entity. The payment of any fees to Griffith Hack is not contingent upon the outcome of the prospectus.

Griffith Hack consents to the issue of a prospectus containing this report and attached schedule. Griffith Hack does not warrant the validity of any intellectual property rights or the accuracy of any representations except as are expressly stated in this report.

Yours faithfully

GRIFFITH HACK**John Terry***Principal*

john.terry@griffithhack.com.au

Schedule A

Patents / Patent applications

Country	Title	Number	Priority Date	Named Inventors	Recorded Applicant or Patentee (and First Applicant if different)	Status
USA	Preparation of Metal Alkaloids	US6,355,821	7 Nov 1997	Koplick, A & Jenkins, S	Sustainable Technologies Australia Limited	Granted
USA	Electrophotochromic Smart Windows and Methods	US6,297,900	22 July 1997	Tulloch, G & Skryabin I	Sustainable Technologies Australia Limited	Granted
Australia	Electrophotochromic Smart Windows and Methods	AU749185	22 July 1997	Tulloch G & Skryabin I	Smart Technologies Australia Pty Ltd (First Applicant Sustainable Technologies Australia Pty Ltd)	Granted
European	Electrophotochromic Smart Windows and Methods	EP1012661	22 July 1997	Tulloch G & Skryabin I	Sustainable Technologies Australia Limited	Pending
Japan	Electrophotochromic Smart Windows and Methods	2000-504486	22 July 1997	Tulloch G & Skryabin I	Sustainable Technologies Australia Limited	Pending
Australia	Methods to Manufacture Single Cell and Multi-Cell regenerative Photoelectrochemical Devices	AU767569	30 Mar 1999	Phani, G; Hopkins, J & Vittorio, D	Sustainable Technologies International Pty Ltd	Granted
USA	Methods to Manufacture Single Cell and Multi-Cell regenerative Photoelectrochemical Devices	US6,652,904	30 Mar 1999	Phani, G; Hopkins, J & Vittorio, D	Sustainable Technologies International Pty Ltd	Granted
European	Methods to Manufacture Single Cell and Multi-cell regenerative Photoelectrochemical Devices	EP1200325	30 Mar 1999	Phani, G; Hopkins, J & Vittorio, D	Sustainable Technologies International Pty Ltd	Pending
Australia	Methods to Implement Sealing and Electrical Connections to Single Cell and Multi-cell Regenerative Photovoltaic Photoelectrochemical Devices	AU761366	9 April 1999	Phani, G; Hopkins, J; Vittorio, D & Skryabin I	Sustainable Technologies International Pty Ltd	Granted

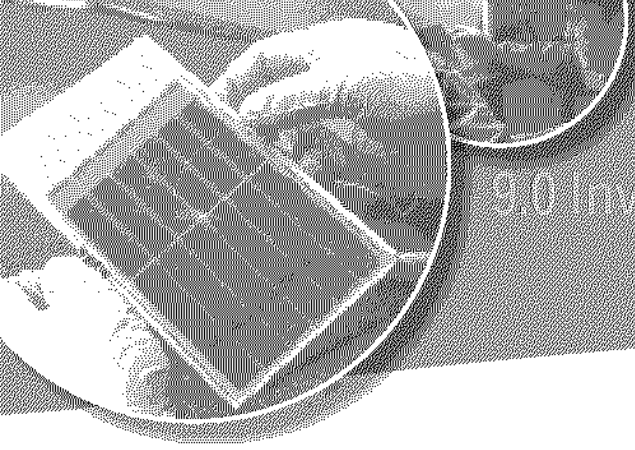
Country	Title	Number	Priority Date	Named Inventors	Recorded Applicant or Patentee (and First Applicant if different)	Status
USA	Methods to Implement Sealing and Electrical Connections to Single Cell and Multi-cell Regenerative Photovoltaic Photoelectrochemical Devices	US6,664,623	9 April 1999	Phani, G; Hopkins, J; Vittorio, D & Skryabin I	Sustainable Technologies International Pty Ltd	Granted
European	Methods to Implement Sealing and Electrical Connections to Single Cell and Multi-cell Regenerative Photovoltaic Photoelectrochemical Devices	EP1192627	9 April 1999	Phani, G; Hopkins, J; Vittorio, D & Skryabin I	Sustainable Technologies International Pty Ltd	Pending
Japan	Methods to Implement Sealing and Electrical Connections to Single Cell and Multi-cell Regenerative Photovoltaic Photoelectrochemical Devices	2000-611296	9 April 1999	Phani, G; Hopkins, J; Vittorio, D & Skryabin I	Sustainable Technologies International Pty Ltd	Pending
European	Methods to Implement Interconnects in Multi-cell Regenerative Photovoltaic Photoelectrochemical Devices	EP1183698	18 March 1999	Phani, G; Hopkins, J & Skryabin I	Sustainable Technologies International Pty Ltd	Pending
USA	Methods to Implement Interconnects in Multi-cell Regenerative Photovoltaic Photoelectrochemical Devices	US6,555,741	18 March 1999	Phani, G; Hopkins, J & Skryabin I	Sustainable Technologies Australia Limited	Granted
Australia	Methods to Implement Interconnects in Multi-cell Regenerative Photovoltaic Photoelectrochemical Devices	AU761370	18 March 1999	Phani, G; Hopkins, J & Skryabin I	Sustainable Technologies International Pty Ltd	Granted
Japan	Methods to Implement Interconnects in Multi-cell Regenerative Photovoltaic Photoelectrochemical Devices	2000-607237	18 March 1999	Phani, G; Hopkins, J & Skryabin I	Sustainable Technologies Australia Limited	Pending

50 Patent Attorney's Report

Country	Title	Number	Priority Date	Named Inventors	Recorded Applicant or Patentee (and First Applicant if different)	Status
European	Method for Large-Scale Manufacture of Dye for Dye-Sensitised Solar Cells	EP14046555	16 May 2001	Koplick, A & Bertoz M	Dyesol Pty Ltd (First Applicant Sustainable Technologies International Pty Ltd)	Pending
European	Method and Device for Local Treatment of Substrates	EP1507604	7 May 2002	Bertoz, M & Skryabin I	Sustainable Technologies International Pty Ltd	Pending
Australia	Method and Device for Local Treatment of Substrates	2003225324	7 May 2002	Bertoz, M & Skryabin I	Sustainable Technologies International Pty Ltd	Pending
International	Method for Electrolytic Engineering of Nano-particulate Layers	PCT/AU2004/001768 (claims priority from AU2003906985)	18 Dec 2003	Evans, G & Skryabin I	Smart Technologies Australia Pty Ltd	Pending
Australia	Photoelectrochemical Photovoltaic Panel	2004904501	11 Aug 2004	Phani, G; Skryabin, I & Tulloch, G	Sustainable Technologies International Pty Ltd	Pending
Australia	Methods to Implement Interconnects in Laminated Electrochemical Devices	2004905567	28 Sep 2004	Helmreich, M; Jausnik, B; Phani, G & Skryabin, I	Smart Technologies Australia Pty Ltd	Pending
Australia	Photovoltaic Device with 100% Utilisation of Surface Area	2004903198	15 June 2004	Phani, G; Skryabin, I; Sundman, M; Tulloch, G & Tulloch, S	Sustainable Technologies International Pty Ltd	Pending
Australia	Photovoltaic Device with Maximised Output and Stability	2005900903	28 Feb 2005	Bertoz, M & Tulloch, G	Dyesol Pty Ltd	Pending

Country	Title	Number	Filing Date	Named Authors	Recorded Applicant or Patentee (and First Applicant if different)	Status
Australia	Solar Wall Panel	154246	15 July 2002	Evans, G; Skryabin, I & Tulloch, S	Sustainable Technologies International Pty Ltd	Registered
European	Solar Wall Panel	000034350-001	1 Apr 2003	Evans, G; Skryabin, I & Tulloch, S	Sustainable Technologies International Pty Ltd	Registered
European	Solar Wall Panel	000034350-002	1 Apr 2003	Evans, G; Skryabin, I & Tulloch, S	Sustainable Technologies International Pty Ltd	Registered
European	Solar Wall Panel	000034350-003	1 Apr 2003	Evans, G; Skryabin, I & Tulloch, S	Sustainable Technologies International Pty Ltd	Registered

Country	Mark	Number	Filing Date	Recorded Applicant or Patentee (And First Applicant if different)	Status
Australia	dyesol	1044169	1 Mar 2005	Dyesol	Pending
Australia	DYESOL devices series application	1044170	1 Mar 2005	Dyesol	Pending



9.0 Investigating Accountant's Report



STANTON PARTNERS CORPORATE PTY LTD

ACCOUNTANTS

11 WALLACE STREET
WEST PERTH 6005
WESTERN AUSTRALIA

TELEPHONE (08) 9487 2182
FAX (08) 9487 2184

e-mail: info@stanton.com.au

14 June 2005

The Directors
Dyesol Limited
189 Hay Street
SUBIACO WA 6008

Dear Sirs

RE: INVESTIGATING ACCOUNTANT'S REPORT

1. INTRODUCTION

This report has been prepared at the request of the Directors of Dyesol Limited ("Dyesol" or "the Company") for inclusion in a Prospectus to be dated on or around 16 June 2005 ("the Prospectus") relating to the proposed issue by Dyesol of 17,500,000 shares to be issued at a price of 20 cents per share to raise a gross \$3,500,000. The minimum subscription has been set at \$2,500,000 (12,500,000 shares).

2. BASIS OF PREPARATION

This report has been prepared to provide investors with information on historical results (Statement of Financial Performance), the Statement of Financial Position of Dyesol and the pro-forma Statement of Financial Position of Dyesol as noted in Appendix 2. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial reports in accordance with the Corporations Act 2001. This report does not address the rights attaching to the securities to be issued in accordance with the Prospectus, nor the risks associated with the investment. Stanton Partners Corporate Pty Ltd has not been requested to consider the prospects for Dyesol, the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so. We have not assessed the carrying value of the intangibles (intellectual property) and plant and equipment as noted in the actual and pro-forma statements of financial position. Stanton Partners Corporate Pty Ltd accordingly, takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report. Risk factors are set out in Section 6 of the Prospectus

3. BACKGROUND

The Company was incorporated on 9 November 2004 as Dyesol Pty Ltd with an issued capital of one share. In February 2005, the shareholders of the Company approved the alteration of the Company's constitution and its conversion to a public company, which became effective on 1 April 2005. The Company has issued 30,000,000 ordinary shares at 0.001 cents to raise \$300 from the promoters of the Company and to 30 April had issued 12,500,000 shares at 8 cents each to seed investors to raise a gross \$1,000,000. This included an issue of 250,000 shares to extinguish a debt due by the Company of \$20,000 (at 8 cents per share). As at 30 April 2005, the Company had granted to the promoters

13,000,000 share options, exercisable at 20 cents each, on or before 30 November 2008. In June 2005, the company issued a further 2,500,000 shares at 8 cents each to raise a gross \$200,000. The number of shares on issue totals 45,000,001.

In December 2004, the Company entered into a Sale of Assets Agreement ("SAA") to acquire certain assets from Sustainable Technologies International Pty Ltd ("STI") and Smart Technologies Australia Pty Ltd (collectively known as the Vendors) at a cost of \$75,001. The assets acquired included certain plant and equipment, intellectual property and software of the business previously operated by the Vendors. The business relates to the research, development and commercialisation of 3rd generation solar technology called Dye Solar Cell Technology ("DSC"). The \$75,001 was paid to the Vendors in May 2005. In addition, Dyesol agreed to assume the leave liabilities relating to employees of the Vendors who accepted employment with Dyesol. As at 1 December 2004, the annual leave liabilities totalled approximately \$24,187 and the long service leave liabilities totalled \$50,110. Effective 31 May 2005, the Company entered into an option agreement to acquire all of the shares in STI from Tulloch Management Pty Ltd (as trustee for the Tulloch Family Trust) that if exercised by the expiry date of 28 March 2006 would make STI a 100% owned subsidiary of Dyesol. The consideration for the option was a total of \$10 and the exercise price is the issue of 4,000,000 shares in Dyesol with a possibility of a further 4,000,000 shares being issued if certain revenue performance criteria are met. The exercise will be subject to shareholder approval. It is expected that if exercised, Dyesol will be obliged to assume certain liabilities of up to \$450,000 and assume any liabilities relating to commissions (5% of revenue) payable to a third party on certain business generated internationally. Any Tulloch debt as defined shall be forgiven or converted into equity before the option is exercised.

In December 2004, Dyesol also entered into an Asset Sale Agreement ("ASA") to acquire various assets from Greatcell Solar SA (a Swiss registered company) at a cost of Swiss Francs (CHF) 200,000. The assets are intellectual property, rights under a licence and associated plant and equipment relating to the development and manufacture of dye cell products for use in building integrated photovoltaic ("BiPV"). The licences relate to all rights licensed between Tulloch Management Pty Ltd and STI pursuant to an equity acquisition deal finalised on 28 March 2003 with Greatcell and the Technical and Collaboration Agreement between Greatcell and STI signed on 1 August 2003. The consideration payable under the ASA was a total of CHF 200,000 payable in two instalments. Both instalments have been paid prior to 30 April 2005 at a cost of Aus\$224,783. The first instalment of CHF 90,000 (Aus\$97,762) was allocated by the Directors of Dyesol to the plant and equipment acquired and the second instalment of CHF 110,000 (Aus\$127,021) was allocated as an intangible asset relating to intellectual property and rights under a licence. For the purposes of this report, the intangible of \$127,021 has been expensed to the Statement of Financial Performance as at 30 April 2005. Furthermore, under the ASA, should Dyesol raise at least \$3,500,000 and list on the ASX, Dyesol should use its reasonable endeavours to agree with the shareholders of Greatcell that it will in consideration for the transfer by the Greatcell shareholders to Dyesol for a nominal consideration of the whole of the issued capital of Greatcell less one share, commit to fund the operations of Greatcell to an amount of no less than CHF 300,000 (approximately Aus\$320,000) from the time of such agreement. In May 2005, the Company entered into options agreements to acquire a total of 13,464 shares in Greatcell (out of 26,500 shares in Greatcell) from Gavin Tulloch (7,484 shares) and Tulloch Management Pty Ltd (6,000 shares) that if exercised by the expiry date of 28 March 2006 would make Greatcell a 50.833% subsidiary of Dyesol. The consideration for the options was \$1 each and the exercise prices are \$1 each. The exercise may be subject to shareholder approval if the Australian Stock Exchange deems it necessary.

The Vendors, Greatcell and Tulloch Management Pty Ltd are related companies of Sylvia Tulloch and Gavin Tulloch. An Asset Warranty Agreement was signed by the Tulloch's, STI, Dyesol and Rimoh Pty Ltd in December 2004. Furthermore, STI via various assignments has an interest in a licence issued by L'Ecole Polytechnique Federale de Lausanne and Michael Graetzel ("EPFL") known as the EPFL Licence. The EPFL Licence relates to photovoltaic dye cells. Dyesol, in May 2005 entered into a Supply Agreement for Dye and Paste for Dye Solar Cells ("Supply Agreement"). The Supply Agreement allows Dyesol to purchase products covered by the patents registered to EPFL at prices allowed for in the



9.0 Investigating Accountant's Report

Supply Agreement. Additionally, in May 2005, Dyesol entered into a Technical Services Agreement ("Technical Agreement") with STI whereby Dyesol will provide services to STI to assist in the manufacture of the Products granted under the EPFL licence on various terms as outlined in the Technical Agreement.

Potential investors should read the Prospectus in full that includes an Independent Marketing Report and a Patent Attorney's Report on the DSC and BIPV Technology ("Technology"). We make no comments as to ownership or values of the Technology and licence interests of Dyesol or of those to be acquired. Further details on all significant contracts entered into by the Company since incorporation (that are relevant to the Prospectus) are referred to in the Material Contracts Section 10.1 and section 10.4 of the Prospectus.

4. SCOPE OF EXAMINATION

You have requested Stanton Partners Corporate Pty Ltd to prepare an Investigating Accountant's Report on:

- (i) The results of Dyesol from incorporation to 30 April 2005;
- (ii) The statement of financial position of Dyesol as at 30 April 2005;
- (iii) The pro-forma statement of financial position of Dyesol at 30 April 2005 adjusted to include funds to be raised by the Prospectus and the completion of transactions referred to in note 2 of Appendix 3.

All of the financial information referred to above has not been audited, however the financial information has been subject to audit review. The directors of Dyesol are responsible for the preparation and presentation of the historical and pro-forma financial information, including the determination of the pro-forma transactions. We have however examined the financial statements and other relevant information and made such enquiries, as we considered necessary for the purposes of this report. The scope of our examination was substantially less than an audit examination conducted in accordance with Australian Auditing Standards and accordingly, we do not express such an opinion. Our examination included:

- (i) Discussions with Directors and other key management of Dyesol;
- (ii) Review of contractual arrangements;
- (iii) A review of publicly available information; and
- (iv) A review of work papers, accounting records and other documents.

5. OPINION

In our opinion, the pro-forma statement of financial position as set out in Appendix 2 presents fairly, the pro-forma statement of financial position of Dyesol as at 30 April 2005 in accordance with the accounting methodologies required by Australian Accounting Standards on the basis of assumptions and transactions set out in Appendix 3. No opinion is expressed on the historical results, as shown in Appendix 1, except to state that nothing has come to our attention which would require any further modification to the financial information in order for it to present fairly, the results of the periods identified. Based on the current information on Dyesol, the adoption of the International Financial Reporting Standards ("IFRS") from 1 January 2005 should have no material effect on the reported results as disclosed in the Statement of Financial Performance or on the reporting of the assets, liabilities and equity as disclosed in the Statements of Financial Position as noted in Appendix 2 and 3 respectively. The main key differences in accounting policies that are expected to arise from adopting IFRS are as follows:

Income Tax – will adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than accounting for the effects of timing differences between taxable income and accounting profit. The Company currently has tax losses estimated at \$500,000 and it is not expected to book a benefit of such losses under IFRS in the short term.

Impairment of Assets – currently assess whether assets are impaired by determining the recoverable amount of the asset on the basis of undiscounted cash flows. IFRS will determine recoverable amount as the higher of fair value less costs to sell and value in use.

Financial Instruments – Investments available for sale to be measured at fair value with changes in fair value recognised on equity subject to impairment. Investments in marketable securities are to be measured at fair values with changes in fair values recognised in the statement of financial performance as an expense or income. Investments/ financial assets or liabilities carried at fair value through the statement of financial performance.

Business Combinations – No amortisation of goodwill but an annual impairment testing of goodwill applies.

Financial Instruments - the issue of shares and options to directors/employees and consultants will need to be valued at fair value and the fair value taken up as a cost (expensed to the statement of financial performance) and the credit to a share and/or option premium reserve.

Intangible assets – Under the Australian equivalent to IAS 38 "Intangible Assets", intangibles acquired in a business combination and which have finite useful lives must be amortised over their useful lives. Internally generated goodwill, brands, costs related to research activities and items similar in substance may not be recognized as assets. All expenditure on research must be expensed when it is incurred. Currently, the Company's policy is to expense all research and development costs as incurred. The Company has written off all acquired intangibles as at 30 April 2005.

In our opinion, the Company does not need to have any significant changes to systems as a result of adopting the IFRS regime. The notes to the 2004/05 financial statements will include a note regarding implementation of IFRS and the financial effect of adoption of IFRS. To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 30 April 2005 that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

6. OTHER MATTERS

At the date of this report, Stanton Partners Corporate Pty Ltd or Stantons International (and its affiliated firm, Stanton Partners) do not have any material interest in Dyesol either directly or indirectly, or in the outcome of the offer. Stantons International, a firm that is related to Stanton Partners Corporate Pty Ltd, were appointed as auditors of Dyesol in February 2005. Stanton Partners Corporate Pty Ltd and Stantons International were not involved in the preparation of any other part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus. Stanton Partners Corporate Pty Ltd consents to the inclusion of this report (including Appendices 1 to 3) in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully

STANTON PARTNERS CORPORATE PTY LTD



J P Van Dieren FCA

Director

30 Investigating Accountant's Report

INVESTIGATING ACCOUNTANT'S REPORT

APPENDIX 1 - UNAUDITED STATEMENT OF FINANCIAL PERFORMANCE

	9 November 2004 to 30 April 2005 \$
Operating Revenue	41,660
Cost of sales (direct operating costs)	(262,355)
Administration and other operating costs	(272,733)
Depreciation	(113,461)
Intellectual and patent costs written off	(166,544)
Leave pay assumed	(74,297)
Net (loss) before tax	<u>(746,730)</u>
Income tax expense	-
Net (loss) after tax	<u>(746,730)</u>

APPENDIX 2 - UNAUDITED STATEMENTS OF FINANCIAL POSITION

	Note	Unaudited Company 30 April 2005 \$	Pro-forma Unaudited 30 April 2005 \$
Current Assets			
Cash assets	3	380,509	3,489,757
Receivables		26,145	26,145
Prepaid capital raising costs	4	143,844	-
Total Current Assets		<u>550,498</u>	<u>3,515,902</u>
Non Current Assets			
Intangibles	5	-	-
Fixed assets	6	166,498	166,498
Total Non Current Assets		<u>166,498</u>	<u>166,498</u>
Total Assets		<u>716,996</u>	<u>3,682,400</u>
Current Liabilities			
Payables	7	254,596	-
Employee entitlements		73,136	73,136
Unearned income		135,694	135,694
Total Current Liabilities		<u>463,426</u>	<u>208,830</u>
Total Liabilities		<u>463,426</u>	<u>208,830</u>
Net Assets		<u>253,570</u>	<u>3,473,570</u>
Equity			
Contributed equity	8	1,000,300	4,220,300
Accumulated losses		(746,730)	(746,730)
Total Equity		<u>253,570</u>	<u>3,473,570</u>

To be read in conjunction with Appendix 3

INVESTIGATING ACCOUNTANT'S REPORT**APPENDIX 3****NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE
AND STATEMENTS OF FINANCIAL POSITION****1. Statement of Significant Accounting Policies****(a) Basis of Accounting**

The Statement of Financial Performance and Statements of Financial Position have been prepared in accordance with applicable accounting standards, the Corporations Act 2001 and mandatory professional reporting requirements in Australia and we have made such disclosures as considered necessary. They have also been prepared on the basis of historical cost and do not take into account changing money values. The accounting policies have been consistently applied, unless otherwise stated.

(b) Income Tax

The Company adopts the liability method of tax effective accounting, whereby the income tax expense in the Statement of Financial Performance is based on the operating profit before tax adjusted for permanent differences. Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation, the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and that the Company will comply with the conditions of deductibility imposed by the law.

(c) Research and Development Costs

All research and developments costs are expensed as incurred.

(d) Accounts Payable

Accounts payable represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest.

(e) Recoverable Amount of Non Current Assets

The carrying amounts of non-current assets are reviewed annually by Directors to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

(f) Operating Revenue

Revenue represents interest received, sale of materials and consulting services.

9.0 Investigating Accountant's Report

(g) Contributed Equity

Issued capital is recognised at the fair value of the consideration received by the Company. All transaction costs on the issue of shares are recognised directly in equity as a reduction of the share proceeds received.

2. Actual and Proposed Transactions to Arrive at Pro-forma Unaudited Statement of Financial Position

Actual and proposed transactions adjusting the 30 April 2005 unaudited Statement of Financial Position of Dyesol in the unaudited pro-forma Statement of Financial Position of Dyesol are as follows:

- (a) The issue of 2,500,000 shares at 8 cents each to raise further capital of \$200,000;
- (b) The issue of 17,500,000 ordinary shares at 20 cents each pursuant to the Prospectus to raise a gross \$3,500,000;
- (c) The payment of accounts payable of \$254,596 that includes the amount of \$75,001 that relates to the acquisition of plant from the vendors; and
- (d) The payment of further expenses of the public issue of \$336,156 and expensing these costs and the prepaid capital raising costs of \$143,844 (total capital raising costs \$480,000) against contributed equity.

	Note 2	Unaudited 30 April 2005 \$	Pro-forma Unaudited 30 April 2005 \$
3. Cash Assets			
The movements in cash at bank are as follows:			
Unaudited 30 April 2005		380,509	380,509
Issue of shares to seed investors and pursuant to the Prospectus	(a) (b)	-	3,700,000
Payment to the Vendors	(c)	-	(175,001)
Payment of other payables	(c)	-	(179,595)
Prospectus issue costs	(d)	-	(336,156)
		380,509	3,489,757

The cash figure is before further losses incurred after 30 April 2005. It is estimated that losses for May and June 2005 will approximate \$300,000. The estimated cash figure as at 30 June 2005 assuming a full subscription is approximately \$3,189,757.

4. Prepaid Capital Raising Costs

Prepaid as at 30 April 2005		143,844	143,844
Transfer to contributed equity	(d)	-	(143,844)
		143,844	-

	Note 2	Unaudited 30 April 2005 \$	Pro-forma Unaudited 30 April 2005 \$
5. Intangibles			
Intellectual Property		127,021	127,021
Less: costs written off		(127,021)	(127,021)
		-	-
6. Fixed Assets			
Plant and equipment, at cost		179,959	179,959
Accumulated depreciation		(13,461)	(13,461)
		166,498	166,498
7. Payables			
Accounts payable and accruals		179,595	179,595
Owing to Vendors		75,001	75,001
Less: Payment of payables	(c)	-	(179,595)
Less: Payment to Vendors	(c)	-	(75,001)
		254,596	-
8. Contributed Equity			
Share Capital			
42,500,001 fully paid shares on issue as at 30 April 2005		1,000,300	1,000,300
2,500,000 shares at 8 cents each	(a)	-	200,000
17,500,000 shares at 20 cents each	(b)	-	3,500,000
		1,000,300	4,700,300
Less: share issue costs	(d)	-	(480,000)
Pro-forma (62,500,001 shares)		1,000,300	4,220,300

Share Options

On issue

13,000,000 options exercisable at 20 cents each, on or before 30 November 2008.

The Company has adopted the Dyesol Limited Employee Option Scheme, details of which are outlined in section 10.9 of the Prospectus.

9. Contingent Liabilities

Based on discussions with the Directors and legal advisors, to our knowledge, the Company has no other material contingent liabilities not otherwise disclosed in the Prospectus and as referred to in the Background Section 3 of this report. Investors should read the Patent Attorney's Report and the material contracts (Sections 10.1 and 10.4) for further possible contingencies. An incentive payment of \$30,000 per annum may be paid to S Tulloch on the achievement of certain milestones agreed to by the Board of Dyesol. Tulloch Management Pty Ltd may be paid an annual bonus of 5% of international sales in excess of the budget approved by the Board.

10. Commitments

For details on proposed commitments relating to the Intellectual Property and associated patents and the Company in general, refer to Section 1.3 of the Prospectus and the Patent Attorney's Report in the Prospectus. The Company has commitments under the Supply Agreement and the Technical Services Agreement. The Company is on a monthly rental tenancy in New South Wales at a cost of approximately \$5,000 per month. As noted in the Background Section 3 of this report, the Company may eventually have a commitment to fund the operations of Greatcell at a cost of CHF 300,000 (approximately \$320,000). It is expected that approximately \$320,000 over two years will be spent by Dyesol out of the proceeds of the public issue on funding Greatcell. The Company has the option to acquire all of the shares in STI and the consideration would be 4,000,000 shares in Dyesol with a possibility of a further up to 4,000,000 shares if certain revenue outcomes are achieved between the period 1 October 2005 and 31 December 2008. If the option was exercised (which must be by 28 March 2006) the Company would assume debts of up to \$450,000. Shareholders approval will be required to exercise the option to acquire all of the shares in STI. The Company may also acquire approximately 50.833% of the shares in Greatcell if it exercises options over shares in Greatcell. Dyesol will also enter into negotiations with other shareholders of Greatcell to acquire their shares so that all shares (except one share) are held by Dyesol. No agreements have been reached with other shareholders of Greatcell.

11. Management and Employment Commitments

The Company has entered into a three year employment contract with S Tulloch at the base rate of \$130,000 per annum plus statutory superannuation and the payment of certain costs including the use of a fully maintained motor vehicle to a maximum value of \$55,000. Furthermore, the aggregate directors' fees for all directors will total \$120,000 per annum. Currently, six key employees excluding S Tulloch are being paid an aggregate of approximately \$39,500 per month and two key consultants are paid a total of \$9,000 per month (including GST). This excludes wages paid to non-key staff members. Further details on the S Tulloch contract are outlined in the Material Contracts Section 10.1 of the Prospectus. A consultancy agreement has been entered into with Townshend York Pty Ltd ("Townshend") for Townshend to provide corporate and secretarial services to the Company for a period of eighteen months at a first year fee of \$48,000 plus GST (indexed by CPI). The Company also has an agreement with XL5 Pty Ltd ("XL5") for XL5 to provide corporate services to the Company for a three year period, effective from Dyesol achieving an ASX listing at the rate of \$75,000 per annum plus GST.

The Company also has entered into a three year Business Service Agreement with Tulloch Management Pty Ltd with a minimum payment of \$100,000 for services of 9 days per month and \$840 per day plus GST for all days thereafter.

12. Minimum Subscription

In the event that the Company only receives the minimum subscription of \$2,500,000, then the number of shares on issue would reduce to 57,500,001, cash reserves would reduce to \$2,249,757 (after accounting for estimated expenditures for the period May to June 2005 of \$300,000) and contributed equity would reduce to \$3,280,300 (assumes capital raising costs reduce by \$60,000).

10.1 Summary of Material Contracts

Set out below is a summary of the contracts which the Directors consider are material to the terms of the Offer and the operation of Dyesol's business, and as such are believed to be relevant to potential investors in the Company.

Memorandum of understanding with Helios Technologies Inc

On 14 March 2005, a memorandum of understanding ("MOU") was entered into by Dyesol and STI with Helios Technologies Inc, a Canadian company ("**Helios**").

Under the MOU, Dyesol grants a conditional licence to Helios to use Dyesol and STI IP to manufacture, market and sell the Products (Dye Solar Cell Panels) in Canada. The MOU deals primarily with the responsibilities of the parties for Phase 1, a feasibility study by Dyesol funded by Helios.

At the completion of Phase 1 (scheduled for September 2005), it is the intention of the parties to enter into an exclusive contract for marketing and sale of Products in Canada, subject to Helios raising the required finance to acquire manufacturing facilities and, subsequently, specific materials from Dyesol. The condition for maintenance of exclusivity would be for Helios to meet specified production benchmarks.

Dyesol and Helios shall enter into a fair and reasonable contract for both the exclusive supply by Dyesol of materials produced by Dyesol for manufacture of products and for technical support services required by Helios. After commencement of sales (should sales occur), Helios shall make royalty payments to Dyesol for products manufactured and sold based on level of gross sales of products. Marketing of manufacturing capacity and products shall be cognisant of the restrictions relating to the Ecole Polytechnique Fédérale de Lausanne licence and Dyesol intellectual property.

Dyesol provides the usual commercial warranties to Helios, as well as specific warranties regarding patent rights and licence obligations. The MOU is stated as being by nature long term and may only be terminated as a result of a breach provided for in the MOU or by mutual agreement. Usual commercial termination clauses are contained in the MOU.

Employment Agreement – Sylvia Tulloch

On 24 May 2005 the Company entered into an employment agreement with Sylvia Tulloch ("ST") setting out the terms of her appointment as the Company's Managing Director.

The employment agreement is for a term of 3 years unless terminated earlier pursuant to the terms of the employment agreement and commenced on 1 December 2004.

ST is employed on a full time basis to perform the duties and exercise the powers as determined from time to time by the Board. The Company must pay ST a gross salary of \$130,000 per annum plus statutory superannuation. A performance bonus of \$30,000 per annum is also payable, depending upon achievement of milestone(s) to be agreed by the Board on or before 30 June each year. The salary will be reviewed periodically by the Company during the term of the agreement.



10.0 Additional Information

The Company will also provide ST with the use of a fully maintained motor vehicle (valued at up to \$55,000), membership of airline clubs, a mobile phone, and portable computer and ancillary devices. The Company will also pay for ST's home phone and internet costs, membership of the Australian Institute of Company Directors and attendance at courses run by that Institute. The Company will also reimburse all costs associated with employment.

The agreement contains standard clauses with respect to confidentiality of Company information and ownership of intellectual property developed.

Either party may terminate the employment agreement by giving to the other party six months' written notice. The Company may terminate the employment agreement immediately in certain circumstances, including ST being in substantial breach of any term of the employment agreement. There is a 2 year competition restraint period in the event of termination in countries where Dyesol has customers.

Deeds of Indemnity and Access

The Company has entered into a deed of indemnity and access with each of its Directors and the Company Secretary ("**Deeds**").

Under the Deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against certain liabilities incurred by the officer while acting as an officer of the Company, and to insure the officer against certain risks to which the officer is exposed to as an officer of the Company.

The Deeds also grant to the officer a right of access to certain records of the Company for a period of up to 7 years after the officer ceases to be an officer.

Business Services Agreement – Tulloch Management Pty Ltd

On 24 May 2005 the Company entered into a business services agreement with Tulloch Management Pty Ltd (an entity controlled by Sylvia Tulloch (a director of the Company) and her spouse, Gavin Tulloch) ("**TMPL**") setting out the terms of TMPL's appointment as a consultant to the Company. The agreement is for an initial term of 3 years and commenced on 1 May 2005.

Subject to any additional services requested by the Company which TMPL agrees to provide, TMPL will, during the term of the agreement, provide business advisory and similar services to the Company for a minimum of 9 days per month, including international project marketing, contract negotiation and business management, technology direction and other services. TMPL shall provide the services of suitably qualified persons to perform the services and in particular, it will provide the services of Gavin Tulloch.

The Company must pay TMPL a retainer of \$100,000 per annum (including GST) for provision of the first 9 days of services per month. For any additional services requested by the Company, a daily service fee of \$924.00 (including GST) shall be charged. The Company must also pay TMPL an annual performance bonus of 5% of international revenue generation in excess of budget.

The agreement contains standard clauses with respect to reimbursement of costs, confidentiality of Company information, ownership of intellectual property developed, and conflict of interest.

Either party may terminate the agreement at any time on not less than 3 months' prior written notice to the other party except that no such notice will have effect until at least 2.75 years of the term has expired. The Company may terminate the agreement immediately in certain circumstances involving material breaches of the agreement, misconduct or neglect or the financial failure of TMPL.

Corporate Services Agreement – XL5 Pty Ltd

On 31 May 2005, the Company entered into a corporate services agreement with XL5 Pty Ltd ("XL5"). Under the corporate services agreement, the Company has engaged XL5 to provide corporate advisory and other similar services to the Company.

XL5 will, during the term of the corporate services agreement, provide the corporate services to the Company and shall provide the services of suitably qualified persons to perform and discharge XL5's obligations to provide the services under the corporate services agreement. XL5 shall, in the discharge of its duties and any exercise of powers undertaken, conform to, observe and comply with, all resolutions, regulations and directions reasonably made or given by the Board of the Company.

The Company must pay XL5 a service fee of \$75,000 per annum, payable monthly.

The corporate services agreement is for a term of 3 years commencing on the date on which the Company is admitted to the official list of ASX, unless terminated earlier in accordance with the corporate services agreement.

Either party may terminate the corporate services agreement at any time on at least 3 months' prior notice in writing to the other party however they may only do this when at least 2.5 years of the term has expired.

Mr Vincent de Villiers, a former director of the Company, controls XL5.

Consultancy Agreement – Townshend York Pty Ltd

On 1 February 2005 the Company entered into a consultancy agreement with Townshend York Pty Ltd ("TYPL") whereby TYPL is engaged as the consultant, which will, among other things, procure the services of Mr Kim Hogg (or another employee of TYPL acceptable to the Company) to be the company secretary of the Company.

TYPL undertakes to provide the Company with the consultancy services, which services include company secretarial services such as assistance with the periodic reporting requirements of ASX, attending and documenting agendas and minutes for board meetings, liaising with the Company's auditors in the periodic audits and review of the Company's accounts and assistance with lodgement of ASX announcements.



10.0 Additional Information

The Company must pay a consultancy fee of \$48,000 per annum. In addition, the Company shall reimburse TYPL for all reasonable travelling, accommodation and general expenses incurred by TYPL in promoting or maintaining the Company's business and goodwill.

The consultancy agreement is for an initial term of 18 months unless terminated earlier in accordance with the consultancy agreement. Thereafter, unless and until the Company gives TYPL written notice of its intention not to renew the consultancy agreement, which notice must be given not less than 3 months before the expiration of the initial term or any further term, the consultancy agreement will be deemed to be automatically renewed for a further 12 months from the end of the initial term or any further term, as the case may be. The term commences on the date the Company is admitted to the official list of ASX.

Dye Supply Agreement with STI

On 24 May 2005, the Company entered into an agreement with Sustainable Technologies International Pty Ltd ("STI") under which STI agreed to supply dyes used in the production of DSC to Dyesol together with any other products that STI is authorised to manufacture under licence from Ecole Polytechnique Fédérale de Lausanne ("EPFL"). Any dye supplied must be manufactured in accordance with specifications stated in the agreement. STI agrees to supply the products as ordered by Dyesol.

This agreement will continue to remain in force until terminated as follows:

- (a) by Dyesol upon written notice upon STI losing its rights to manufacture the products under the licence from EPFL or Dyesol itself obtaining the right to manufacture the products from EPFL;
- (b) by Dyesol upon 90 days written notice; or
- (c) by either party upon the other party becoming insolvent, entering into administration or having a receiver or controller appointed other than for a bona fide reconstruction.

In the event that STI loses its right to manufacture the products under licence from EPFL, it will use its best endeavours to procure that EPFL grants a licence to manufacture the products to Dyesol.

Technical Services Agreement with STI

On 24 May 2005, the Company entered into an agreement with STI under which Dyesol agreed to provide technical services consisting of personnel and use of equipment to STI to enable STI to fulfil any orders made by Dyesol for dye and other EPFL licensed products under the supply agreement summarised above. Personnel will be provided by Dyesol to STI at a fair and reasonable cost not exceeding the cost to STI of employment of personnel of a similar level of expertise and experience and plant and equipment will also be made available at a fair and reasonable cost based on market rates and at times reasonably acceptable to both parties.

This agreement will terminate upon:

- (a) the dye supply agreement summarised above terminating;
- (b) STI no longer holding its licence with EPFL;
- (c) Dyesol itself obtaining the right to manufacture the products from EPFL; or
- (d) notice by either party upon the other party becoming insolvent, entering into administration or having a receiver or controller appointed other than for a bona fide reconstruction.

The agreement confirms that all intellectual property in any information provided by Dyesol as a part of the services provided will remain with Dyesol.

Asset sale agreement with Greatcell

On or about 21 December 2004, Dyesol entered into an asset sale agreement with Greatcell Solar SA ("**Greatcell**"), a company registered in Switzerland, for the purchase of laboratory and manufacturing equipment and certain intellectual property. This purchase has been completed, however there was a clause in this asset sale agreement which obliges the Company, should it be successful in raising a total of no less than \$3,500,000 and being listed on the ASX, to use its reasonable endeavours to agree with the shareholders of Greatcell that it will, in consideration for the transfer of the whole of the issued capital of Greatcell, commit to fund the operations of Greatcell to an amount of no less than CHF300,000 (approximately AUD\$320,000).

The Company has already secured an option to acquire 51% of the shares in Greatcell itself under the Greatcell Option Agreement summarised below.

Option to acquire Greatcell

On 24 May 2005, the Company entered into an option deed with Gavin Tulloch and Tulloch Management Pty Ltd (an entity controlled by Sylvia Tulloch (a director of the Company) and her spouse, Gavin Tulloch) ("**TMPL**"). Gavin Tulloch and TMPL together hold 51% of the issued capital of Greatcell. Pursuant to this option deed, Gavin Tulloch and TMPL grant to the Company an option to acquire their 51% shareholding in Greatcell. The option is exercisable any time until 28 March 2006.

The consideration paid by the Company for the grant of the option was \$2.00. The consideration payable by the Company for the 51% shareholding in Greatcell upon exercise of the option will be \$2.00. The exercise of the option is subject to the Company conducting due diligence on Greatcell including, but not limited to, due diligence on the shares, the assets and liabilities and the corporate structure of Greatcell, which due diligence results must be to the satisfaction of the Company. Should the Company exercise the option, settlement is conditional upon the Company obtaining such consents and approvals from Shareholders as may be necessary under the Corporations Act and Listing Rules.

Several standard commercial warranties are provided by TMPL and Gavin Tulloch to the Company with respect to their Greatcell shares and authority to enter into the option deed.

Option to acquire STI

On 31 May 2005, the Company entered into an option deed with Tulloch Management Pty Ltd (an entity controlled by Sylvia Tulloch (a director of the Company) and her spouse, Gavin Tulloch) ("**TMPL**"), Sylvia Tulloch and Gavin Tulloch and Sustainable Technologies International Pty Ltd ("**STI**"). The option deed grants the Company an option to acquire 100% of the shareholding of STI currently being held by TMPL. The consideration paid for the grant of the option was \$10.



10.0 Additional Information

The consideration payable for the acquisition of STI upon exercise of the option will be the issue of 4 million shares in the Company. In the event the option is exercised, the Company also agrees to issue up to an additional 4 million shares for revenue received by STI from commercialisation of its security and surveillance technology in the period between 1 October 2005 and 31 December 2008. For each \$1,000,000 in gross revenue received by STI from this security and surveillance technology the Company will agree to issue \$1,000,000 worth of shares (based on market value as calculated by 30 day volume weighted average price) to TMPL (or its nominee) subject to a maximum of 1,000,000 shares for each \$1,000,000 in gross revenue (and a maximum of 4 million shares in total).

In the event the option is exercised and STI acquired, the Company agrees to inject funds of up to \$450,000 into STI to enable STI to pay out certain third party liabilities of STI.

The exercise of the option is subject to the Company conducting further due diligence enquiries on STI and the Company obtaining Shareholder approval as required under the Corporations Act and Listing Rules. The option is exercisable any time until 28 March 2006.

For the duration of the option period, STI is obliged to direct any revenue it receives towards payment of its existing third party liabilities in priority to any liabilities owed to TMPL or Gavin or Sylvia Tulloch.

Dyesol has also agreed to provide the following warranties to TMPL:

- (a) Dyesol warrants that in exercising its rights under the deed for the period from the commencement date until 31 December 2008 it will not without prior consent of TMPL:
 - (i) compete with STI in the security and surveillance technology;
 - (ii) novate any contract from STI to Dyesol with the effect of transferring the receipt of gross receipts from the security and surveillance technology from STI to Dyesol; or
 - (iii) take any action in relation to STI that would result in any damage to the business returns, prospects of STI, TMPL and the Tullochs with any of the third party customers of STI without having reasonable grounds for doing so or where pursuant to its rights for a breach of warranty;
- (b) Dyesol warrants that it will not seek damages or recovery of costs in any form in relation to the TMPL and Tulloch warranties where the claimed breach is not a result of a breach by STI, TMPL or the Tullochs; and
- (c) if Dyesol does acquire the STI shares under this deed and settlement occurs, Dyesol agrees for a period of 3 years following settlement not to sell STI, or a controlling interest in STI without the agreement of TMPL unless Dyesol is required to do so under law or where such sale is carried out by a receiver, administrator, controller or liquidator of Dyesol or as part of a bona fide corporate reconstruction.

Dyesol shall indemnify and keep indemnified STI, TMPL and the Tullochs for a maximum period of one year from the commencement date against all material loss, damage and costs suffered by STI, TMPL and the Tullochs by reason of any of the warranties or representations proving to be incorrect. The indemnity is also limited to claims above \$25,000 in value and which are made within 12 months of the date the deed was signed.

10.2 Company Tax Status

The Directors expect the Company will be taxed in Australia as a public company. The financial year of the Company ends on 30 June annually.

10.3 Litigation

The Company is not involved in any material litigation or arbitration proceedings, nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

10.4 Interests of Directors of the Company

Directors' Share and Option holdings

At the date of this Prospectus the relevant interest of each of the Directors in the Securities of the Company is as follows:

Director	Shares	Direct (D)/ Indirect (I)	Options	Direct (D)/ Indirect (I)
Mr Richard Caldwell ⁽¹⁾	625,000	I	2,000,000	I
Mrs Sylvia Tulloch ⁽²⁾	25,000,000	I	-	-
Mr Gordon Thompson ⁽³⁾	500,001	D	1,000,000	D
	875,000	I	1,000,000	I
Ms Cathryn Curtin				

- 625,000 Shares and 2,000,000 Options are held by Real Socks Pty Ltd, of which Mr Caldwell is both a director and shareholder.
- 25,000,000 Shares are held by Tulloch Management Pty Ltd <The Tulloch Family Trust>, of which Sylvia Tulloch is a director and shareholder.
- Includes 812,500 Shares and 1,000,000 Options held indirectly by Mr Thompson as a joint trustee and beneficiary of the Thompson Family Superannuation Fund. 62,500 Shares are held by PE Thompson, MA Thompson and GE Thompson, who are children of Mr Thompson. 500,001 Shares and 1,000,000 Options are held directly by Mr Thompson.

Directors' Remuneration

The names and descriptions of the Directors of Dyesol are set out in the Corporate Directory and Section 4 of this Prospectus.

The Company's constitution provides that the remuneration of non-executive directors will be not more than the aggregate fixed sum determined by a general meeting of its Shareholders. Shareholders have approved non-executive Directors' remuneration of not more than the aggregate fixed sum of \$120,000 per annum. Richard Caldwell, Gordon Thompson and Cathryn Curtin will receive directors' fees of \$50,000, \$35,000 and \$35,000 per annum respectively, following admission of the Company to the Official List of the ASX.

10.0 Additional Information

Sylvia Tulloch, as Managing Director of the Company, receives an annual salary of \$130,000, plus statutory superannuation and incentive bonuses of up to \$30,000, and other benefits in accordance with the terms of her employment contract. For further details of the contract, refer to Section 10.1.

On 21 December 2004, a Sale of Assets Agreement was entered into between Dyesol, Sustainable Technologies International Pty Ltd ("STI"), Smart Technologies Australia Pty Ltd ("Smart"), Sylvia Tulloch and Gavin Tulloch, whereby Dyesol acquired certain assets (including plant and equipment and intellectual property) from STI and Smart for a total consideration of \$75,001. Sylvia Tulloch is a director of STI and Smart and holds an interest in the shareholding of those companies.

On 24 December 2004, an Asset Sale Agreement was entered into between Dyesol, Greatcell Solar S.A. (a company registered under the laws of Switzerland) ("Greatcell"), STI and Tulloch Management Pty Ltd ("TMPL"), whereby Dyesol acquired certain assets (including plant and equipment and intellectual property) from Greatcell for a total consideration of 200,000 Swiss Francs (approximately \$225,000). Sylvia Tulloch holds an interest in the TMPL shareholding of Greatcell.

Gordon Thompson and Cathryn Curtin, through their respective controlled entities, have provided consultancy services to the Company, for which they have been paid \$13,000 and \$16,000 respectively (excluding GST).

Options to acquire STI and Greatcell

As referred to in Section 10.1 and elsewhere in the Prospectus, the Company has entered into an option agreement with Tulloch Management Pty Ltd ("TMPL") to acquire all of the issued capital of STI, and an option agreement with Gavin Tulloch and TMPL to acquire a 51% interest in Greatcell. Sylvia Tulloch, the Managing Director of Dyesol, may obtain certain benefits under both option agreements, as detailed in the summaries of the option agreements contained in Section 10.1.

Interests of Directors

Other than as set out above or elsewhere in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with the ASIC, any interest in:

- (a) the promotion or formation of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its promotion or formation or the Offer; or
- (c) the Offer.

Except as set out above, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director:

- (i) to induce them to become, or to qualify them as, a Director; or
- (ii) for services rendered by them in connection with the formation or promotion of the Company or the Offer.

10.5 Interests of Persons Named

Except as disclosed in this Prospectus, no promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, holds, or held within two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer;
- or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offer.

Stanton Partners Corporate Pty Ltd will receive professional fees of approximately \$10,000 (exclusive of GST) for preparation of the Investigating Accountant's Report included in this Prospectus.

HBH Consultants have received professional fees of \$16,000 (excluding GST) for the preparation of the Independent Market Research Report included in this Prospectus.

Griffith Hack have received professional fees of \$10,820 (excluding GST) for the preparation of the Patent Attorney's Report included in this Prospectus.

Blakiston & Crabb have acted as solicitors to the Company in providing general advice in relation to this Prospectus. In respect of Blakiston & Crabb's work, the Company has paid or will pay approximately \$55,000 (excluding GST) for these services. Blakiston & Crabb have provided other professional services to the Company in the period since incorporation for which the Company has paid or will pay fees totalling approximately \$27,000 (excluding GST).

XL5 Pty Ltd will act as corporate advisor to the Company from listing and has entered into a Corporate Services Agreement which is described in further detail in Section 10.1 of this Prospectus.

10.6 Consents

Each of the parties referred to in this Section 10.6:

- (a) does not make, or purport to make, any statement in this Prospectus, or any statement said in the Prospectus to be based on a statement made by them, other than as specified in this Section 10.6; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 10.6.



10.6 Additional Information

Stanton Partners Corporate Pty Ltd has given its written consent to the inclusion in this Prospectus of its Investigating Accountant's Report and to all statements referring to that report in the form and context in which they are included and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

HBH Consultants has given its written consent to the inclusion in this Prospectus of its Independent Market Research Report and to all statements referring to that report in the form and context in which they are included and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

Griffith Hack has given its written consent to the inclusion in this Prospectus of its Patent Attorney's Report and to all statements referring to that report in the form and context in which they are included and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

Each of the following has consented to being named in the Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with ASIC:

- (a) Blakiston & Crabb, as the solicitors for Dyesol;
- (b) Stantons International, as the auditor of Dyesol;
- (c) Stanton Partners Corporate Pty Ltd, as the Company's Investigating Accountants;
- (d) HBH Consultants, as the Independent Market Researchers;
- (e) XLS Pty Ltd, as the Company's corporate adviser;
- (f) Griffith Hack, as the Patent Attorney for Dyesol; and
- (g) Computershare Investor Services Pty Ltd, as the Company's Share Registrar.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus, nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

10.7 Rights Attaching to Shares

There is only one class of share on issue in the Company, being fully paid ordinary shares. The rights attaching to Shares are:

- (a) set out in the constitution of the Company; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules, the ASTC Settlement Rules (formerly the SCH Business Rules) and the general law.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders.

All Shares issued pursuant to this Prospectus will from the time they are issued, rank *pari passu* with all the Company's existing Shares.

Voting

Subject to any restriction on voting imposed due to a breach of the Listing Rules relating to restricted shares or any escrow agreement entered into by the Company and a member, every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every Share held by him or her, but, in respect of partly-paid shares, shall have a fraction of a vote for each partly-paid share.

A poll may be demanded before a vote is taken, or before or immediately after the declaration of the result of the show of hands by the chairperson of the meeting, by at least five Shareholders present in person or by proxy, attorney or representative, or by any one or more Shareholders who are together entitled to not less than 5% of the total voting rights of all those Shareholders having the right to vote on the resolution.

Dividends

Dividends are payable out of the Company's profits and are declared by the Directors. Dividends declared will (subject to the rights of any preference shareholders and to the right of the holders of any shares created or raised under any special arrangement as to dividend) be payable on the Shares in accordance with the Corporations Act.

Transfer of Shares

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX or the Corporations Act for the purpose of facilitating transfers in shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors may refuse to register any transfer of Shares, other than a market transfer, where permitted by the Listing Rules or the ASTC Settlement Rules. The Company must comply with such obligations as may be imposed on it by the Listing Rules and where appropriate the ASTC Settlement Rules in connection with any market transfer and may not prevent, delay or in any way interfere with the registration of a market transfer where to do so would be contrary to the provisions of any of the Listing Rules or the ASTC Settlement Rules.

Meetings and Notice

Each Shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the constitution of the Company, the Corporations Act or the Listing Rules.

Winding Up

The Company has only issued one class of shares, which all rank equally in the event of liquidation. A liquidator may, with the authority of a special resolution of Shareholders divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders. The liquidator can with the sanction of a special resolution of the Company's Shareholders vest the whole or any part of the assets in trust for the benefit of Shareholders as the liquidator thinks fit, but no Shareholder of the Company can be compelled to accept any Shares or other shares in respect of which there is any liability.

Shareholder Liability

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

Alteration to the Constitution

The constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

ASX Listing Rules

If the Company is admitted to the Official List, notwithstanding anything in the constitution of the Company, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the constitution to contain a provision or not to contain a provision the constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the constitution is or becomes inconsistent with the Listing Rules, the constitution is deemed not to contain that provision to the extent of the inconsistency.

10.8 Terms and Conditions of Options

The 13,000,000 Options on issue and the Options proposed to be offered under a future non-renounceable entitlement issue of Options (refer Section 2.10) will be or have been granted on the following terms and conditions:

a) *Exercise Price*

The exercise price of each Option is 20 cents.

b) *Entitlement*

Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.

c) *Option Period*

The Options will expire at 5.00pm WST on 30 November 2008. Subject to clause (g), Options may be exercised at any time prior to the expiry date and Options not so exercised shall automatically expire on the expiry date.

d) *Ranking of Share Allotted on Exercise of Option*

Each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects *pari passu* with the existing Shares in the capital of the Company on issue at the date of allotment.

e) *Voting*

A registered owner of an Option ("Option Holder") will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.

f) *Transfer of an Option*

Options are transferable at any time prior to the expiry date. This right is subject to any restrictions on the transfer of Options that may be imposed by the ASX in circumstances where the Company is listed on the ASX.

(g) *Method of Exercise of an Option*

(i) The Company will provide to each Option Holder a notice that is to be completed when exercising the Options ("Notice of Exercise of Options"). Options may be exercised by the Option Holder by completing the Notice of Exercise of Options and forwarding the same to the Company Secretary to be received prior to the expiry date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted; which number of Options must be a multiple of 2,500 if only part of the Option Holder's total Options are exercised, or if the total number of Options held by an Option Holder is less than 2,500, then the total of all Options held by that Option Holder must be exercised.

- (ii) The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of shares being subscribed, being an amount of 20 cents (\$0.20) per Share.
- (iii) Subject to paragraph (g)(i) above, the exercise of less than all of an Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.
- (iv) Within 14 days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.
- (v) If the Company is listed on the ASX, the Company will within 3 business days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.
- (vi) The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.

(h) ASX Listing

Application for quotation of the Options on the ASX will be made.

(i) Reconstruction

In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

(j) Participation in New Share Issues

There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be at least nine (9) business days after such new issues are announced (or such other date if required under the Listing Rules) in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.

(k) No Change of Options' Exercise Price or Number of Underlying Shares

There are no rights to change the exercise price of the Options or the number of underlying Shares.

10.9 Employee Option Scheme

As an incentive to employees of Dyesol, the Company has adopted a scheme called the Dyesol Limited Employee Option Scheme ("Scheme").

At the date of this Prospectus, no Employee Options have been granted under the Scheme.

The purpose of the Scheme is to give employees, Directors and executive officers of the Company an opportunity, in the form of Employee Options, to subscribe for Shares. The Directors consider the Scheme will enable the Company to retain and attract skilled and experienced employees, board members and executive officers and provide them with the motivation to make the Company more successful.



10.0 Additional Information

Brief Overview of the Scheme

A summary of the Terms and Conditions of the Scheme is set out below:

Participants in the Scheme

The Board may offer free options to persons ("Eligible Persons") who are:

- full-time or part-time employees; or
- a director of a company in the Group; or
- a person whom the Board determines is concerned, or takes part, in the management of a company in the Group.

Upon receipt of such an offer, the Eligible Person may nominate an associate acceptable to the Board to be issued with the options.

Terms of Options

There is no issue price for the options. The exercise price for the options will be:

- 125% of the market value (as defined) of the Company's shares on the date on which the options are issued;
- 20 cents; or
- any greater price determined by the Board,

whichever is the greatest.

Shares issued on exercise of options will rank equally with other fully paid ordinary shares of the Company.

Options may not be transferred without the approval of the Board. Quotation of options on the Australian Stock Exchange ("ASX") will not be sought.

Restrictions on Issues and Exercise of Options

The Board may not offer options under the Scheme if the total number of shares which would be issued were each option accepted, together with the number of shares in the same class or options to acquire such shares issued pursuant to all employee or executive share schemes during the previous five years, exceeds 5% of the total number of issued shares in that class as at the date of the offer.

Options may only be issued or exercised within the limitations imposed by the Corporations Act and the Australian Stock Exchange Listing Rules.

Exercise of Options

Each allotment of Options issued under the Scheme may be exercised in the proportions listed in Column A below at any time between the corresponding period listed in Column B below (months from the date of issue) and 5 years after the date the Option is issued.

Column A	Column B
25%	0 months
25%	6 months
25%	12 months
25%	24 months

If a Participant ceases to be an Employee:

- a) 1 year or more after Options are issued in relation to the Participant; or
- b) because of retirement, total and permanent disablement, redundancy, death or any other circumstances approved by the Board,

the Options may be exercised within 30 days (or 3 months, in the case of death or permanent disability) after ceasing to be an Employee or any longer period permitted by the Board. If not exercised within that period, the Options lapse.

If a Participant ceases to be an Employee and the above does not apply, Options issued in relation to the Participant lapse.

If a Participant acts fraudulently, dishonestly or in breach of obligations to the Company or any subsidiary then, at the Board's discretion, options issued for that person will lapse.

Unexercised options will automatically lapse five years after they are issued.

Participation in Future Issues

The holders of options will only participate in new issues, including bonus issues, if they have exercised the options at that time and provided such exercise is permitted by the terms of the option.

If the Company makes a bonus issue of securities to ordinary shareholders each unexercised option will, on exercise, entitle its holder to receive additional shares in accordance with the then current Listing Rules.

If the Company makes a pro rata rights issue of ordinary shares for cash to its ordinary shareholders then there is provision for adjustment of the exercise price of unexercised options in accordance with the then current Listing Rules.



10.9 Additional Information

Capital Reconstruction

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

10.10 Dividend Policy

In the short-term, the Company anticipates rapid development and growth of the Company's business and therefore the Board believes that there will be an ongoing requirement to reinvest profits in order to enhance its longer-term potential to attain consistent earnings.

The Directors will develop a suitable dividend policy at the appropriate stage. The Directors can give no assurance as to the extent, timing or actual payment of future dividends or the availability or level of franking credits. The level of dividends payable will depend upon a number of factors including future earnings, capital requirements and the overall financial condition of the Company. The Company has not declared or paid any dividends before the issue of this Prospectus.

10.11 Taxation

The acquisition and disposal of Shares in Dyesol will have tax consequences, which will differ depending on the individual financial affairs of each Shareholder. All potential investors in Dyesol are urged to take independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, Dyesol, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

10.12 Expenses of the Offer

Assuming full subscription, it is estimated that approximately \$480,000 will be payable by the Company in respect of broker commissions, experts' fees, legal, accounting and corporate advisory fees, Prospectus design and printing costs, ASIC and ASX fees, travel and promotional expenses and other costs arising from this Prospectus and the Offer.

10.13 Electronic Prospectus

Pursuant to Class Order 00/44 the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper prospectus lodged with the ASIC and the issue of Shares in response to an electronic Application Form, subject to compliance with certain provisions.

Persons who have received this Prospectus as an Electronic Prospectus should ensure that they have received the entire Prospectus accompanied by the Application Form. If they have not, they should contact Dyesol (at email: dyesol@dyesol.com; or telephone (61 8) 9382 1311) and Dyesol will send for free, either a hard copy or a further electronic copy of the Prospectus or both.

Dyesol reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application monies received will be dealt with in accordance with section 722 of the Corporations Act.



11.0 Directors' Statement

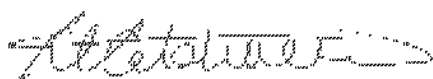
The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors' knowledge, before any issue of Shares pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 27 June 2005

Signed for and on behalf of the Company



Richard Caldwell
Chairman

“\$A” means Australian Dollars.

“Applicant” means a person who submits an Application.

“Application” means a valid application to subscribe for Shares.

“Application Form” means the Application Form attached to or accompanying this Prospectus.

“ASIC” means Australian Securities and Investments Commission.

“ASTC” means ASX Settlement and Transfer Corporation.

“ASTC Settlement Rules” means the SCH Business Rules as referred to in the Company’s constitution and which are now known as the ASTC Settlement Rules.

“ASX” means Australian Stock Exchange Limited (ACN 008 624 691).

“Auditor” means Stantons International.

“Board” means the Board of Directors of Dyesol unless the context indicates otherwise.

“Business Day” means a day other than a Saturday or Sunday on which banks are open for business in Perth, Western Australia.

“CHESS” means ASX Clearing House Electronic Subregistry System.

“Closing Date” means 15 August 2005.

“Company” or “Dyesol” means Dyesol Limited (ACN 111 723 883).

“Corporations Act” and “Act” means the Corporations Act 2001 of Australia.

“Directors” means the board of directors of the Company as it is constituted from time to time.

“DSC” means Dye Solar Cell.

“Electronic Prospectus” means the electronic version of this Prospectus.

“Exposure Period” means the period of seven (7) days after lodgement of this Prospectus which may be extended by ASIC by not more than seven (7) days pursuant to section 727(3) of the Corporations Act.

“Greatcell” means Greatcell Solar SA, a company registered under the laws of Switzerland and having its head office at Ave Grandson 48, 1410 Yverdon-les-Bains, Switzerland.

“Independent Market Research Report” means the report contained in Section 7 of this Prospectus.

“Investigating Accountant” means Stanton Partners Corporate Pty Ltd.

“Investigating Accountant’s Report” means the report contained in Section 9 of this Prospectus.

“Issue” means the issue of up to 17,500,000 Shares pursuant to this Prospectus.

“Issuer Sponsored” means shares issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

“Listing Rules” means the Listing Rules of the ASX.

“Offer” means the offer to the public of up to 17,500,000 Shares to raise a total of up to \$3,500,000.

“Offer Period” means the period commencing on the Opening Date and ending on the Closing Date.

“Official List” means the Official List of the ASX.

“Official Quotation” means quotation of the Shares on the Official List.

“Opening Date” means 4 July 2005.

“Option” means an option to subscribe for one Share in Dyesol exercisable at 20 cents on or before 30 November 2008.

“Option Holders” means those parties holding Options to acquire Shares in Dyesol.

“Patent Attorney’s Report” means the report contained in Section 8 of this Prospectus.

“Prospectus” means this prospectus dated 27 June 2005 in relation to the Offer, including the Electronic Prospectus.

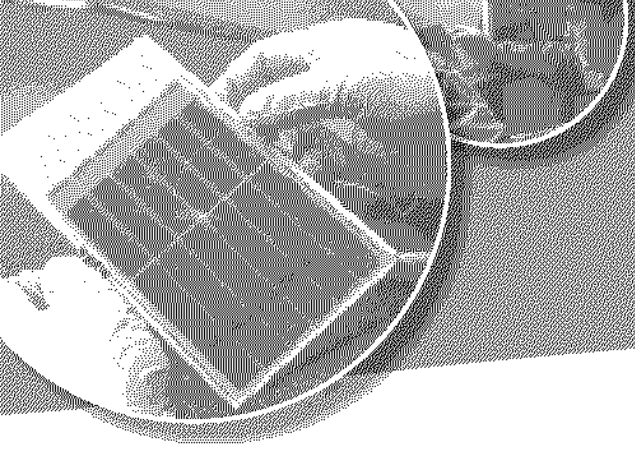
“Securities” mean Shares and Options.

“Share” means one fully paid ordinary share in Dyesol.

“Shareholder” means a holder of Shares.

“STI” means Sustainable Technologies International Pty Ltd (ACN 083 102 488)

“WST” means Western Standard Time, Perth, Western Australia.



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Shares Requested
in the Offer

Before completing this Application Form, you should read the attached Prospectus and the instructions overleaf.

Amount of Shares to be
Purchased in Offer

PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM.

I/We apply for

Shares at 20 cents per Share \$

in Dyesol Ltd.

I/We lodge full application monies of:

\$ for the above shares.

Full name (PLEASE PRINT)

Joint Applicant #2 or <designated account>

Joint Applicant #3 or <designated account>

Postal Address (PLEASE PRINT)

Street Number Street

Suburb/Town State Post code

Contact Name Telephone number – Business hours
 ()

Telephone number – After hours
 ()

Tax File Number Applicant #2 Applicant #3

CHEQUE DETAILS

Drawer	Bank	Amount of cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>

Declaration and Statements:

Return of the Application Form with your cheque for the Application monies will constitute your offer to subscribe for Shares in the Company. I/We declare that:
 (a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of the Company; and
 (b) I/We have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

No signature is required.

You should read the Prospectus dated 27 June 2005 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

(See application instructions overleaf)

130 Application Forms And Instructions

This Application Form relates to the Offer of up to 17,500,000 Shares in Dyesol Limited at an issue price of 20 cents per Share, pursuant to the Prospectus dated 27 June 2005. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable), and an Application Form, on request and without charge.

1. Application for Shares

To calculate application money due, multiply the number of Shares that have been applied for by \$0.20. Please forward the completed Application Form and cheque to:

Dyesol Limited
 C/- Computershare Investor Services
 GPO Box D182
 PERTH WA 6840

2. Name of Applicant

Write the applicant's FULL NAME in Item 2. This must be either an individual's name or the name of a company. If a company, please also include its ACN / ABN. Note that only legal entities are allowed to hold securities and therefore Application Forms must be in the name(s) of a natural person(s), company, or other legal entity acceptable to the Company.

If an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decisions of the Directors as to whether to accept an Application Form, and how to construe, amend or complete it, shall be final. An Application Form will not however, be treated as having offered to subscribe for more Shares than is indicated by the amount of the accompanying cheque for the application monies referred to in Item 1.

3. Joint Applicants and/or Account Designations

If JOINT APPLICANTS are applying or an ACCOUNT DESIGNATION is required complete Items 2 & 3.

TYPE OF INVESTOR	CORRECT FORM	SAMPLE OF INCORRECT FORM
Individual <i>Use given names, not initials</i>	John Andrew Brown	J.A. Brown
Company <i>Use title, no abbreviations</i>	XYZ Proprietary Limited	XYZ P/L
Trusts <i>Do not use name of trust alone</i>	John Brown <Brown Family Account>	John Brown Family Trust
Partnerships <i>Use partner's personal names, not the name of the partnership alone</i>	John and Greg Brown <JBGB + Partners Account>	JBGB Partners
Deceased Estates <i>Use executor(s) personal name(s)</i>	Jane Brown <Est John Brown A/C>	Estate of late John Brown
Clubs/Incorporated Bodies / Business Names <i>Use office bearer(s) personal names(s), Do not use the names of the clubs etc.</i>	Michael Brown <XYZ Cricket Association A/C>	XYZ Cricket Association
Superannuation Funds <i>Use of name of trustee of fund, do not use the name of the fund</i>	Jane Brown Pty Ltd <Super Fund A/C>	Jane Brown Pty Ltd Superannuation fund

4. Tax File Number or Exemption

An Applicant is not obliged to quote their Tax File Number ("TFN"). However in cases where no TFN is quoted, the Company must deduct tax from any dividends payable (to the extent that they are not franked) at the top personal marginal tax rate plus the Medicare levy.

5. Address

Enter the Applicant's postal address for all correspondence.

6. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact that Applicant if there is an irregularity regarding the Application Form.

7. Payment Details

Payment must be made in Australia currency by cheque or bank cheque drawn on an Australian bank. The amount of the cheque should agree with the amount shown in Item 1 of the Application Form. Cheques are to be made payable to "Dyesol Limited Trust Account" and should be crossed "Not Negotiable". Cash should not be forwarded.

Share Register
The City

Before completing this Application Form, you should read the attached Prospectus and the instructions overleaf.

Financial Services
Regulatory Authority

PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM.

I/We apply for

Shares at 20 cents per Share \$

in Dyesol Ltd.

I/We lodge full application monies of:

\$ for the above shares.

Full name (PLEASE PRINT)

Joint Applicant #2 or <designated account>

Joint Applicant #3 or <designated account>

Postal Address (PLEASE PRINT)

Street Number

Street

Suburb/Town

State

Post code

Contact Name

Telephone number - Business hours

()

Telephone number - After hours

()

Tax File Number

Applicant #2

Applicant #3

CHEQUE DETAILS

Drawer	Bank	Amount of cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>

Declaration and Statements:

Return of the Application Form with your cheque for the Application monies will constitute your offer to subscribe for Shares in the Company. I/We declare that:
 (a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of the Company; and
 (b) I/We have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares.

No signature is required.

You should read the Prospectus dated 27 June 2005 carefully before completing this Application Form. The Corporations Act prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

(See application instructions overleaf)

1.0 Application Forms And Instructions

This Application Form relates to the Offer of up to 17,500,000 Shares in Dyesol Limited at an issue price of 20 cents per Share, pursuant to the Prospectus dated 27 June 2005. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable), and an Application Form, on request and without charge.

1. Application for Shares

To calculate application money due, multiply the number of Shares that have been applied for by \$0.20. Please forward the completed Application Form and cheque to:

Dyesol Limited
 C/- Computershare Investor Services
 GPO Box D182
 PERTH WA 6840

2. Name of Applicant

Write the applicant's FULL NAME in Item 2. This must be either an individual's name or the name of a company. If a company, please also include its ACN / ABN. Note that only legal entities are allowed to hold securities and therefore Application Forms must be in the name(s) of a natural person(s), company, or other legal entity acceptable to the Company.

If an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decisions of the Directors as to whether to accept an Application Form, and how to construe, amend or complete it, shall be final. An Application Form will not however, be treated as having offered to subscribe for more Shares than is indicated by the amount of the accompanying cheque for the application monies referred to in Item 1.

3. Joint Applicants and/or Account Designations

If JOINT APPLICANTS are applying or an ACCOUNT DESIGNATION is required complete items 2 & 3.

TYPE OF INVESTOR	CORRECT FORM	SAMPLE OF INCORRECT FORM
Individual <i>Use given names, not initials</i>	John Andrew Brown	J.A. Brown
Company <i>Use title, no abbreviations</i>	XYZ Proprietary Limited	XYZ P/L
Trusts <i>Do not use name of trust alone</i>	John Brown <Brown Family Account>	John Brown Family Trust
Partnerships <i>Use partner's personal names, not the name of the partnership alone</i>	John and Greg Brown <JBGB + Partners Account>	JBGB Partners
Deceased Estates <i>Use executor(s) personal name(s)</i>	Jane Brown <Est John Brown A/C>	Estate of late John Brown
Clubs/Incorporated Bodies / Business Names <i>Use office bearer(s) personal names(s), Do not use the names of the clubs etc.</i>	Michael Brown <XYZ Cricket Association A/C>	XYZ Cricket Association
Superannuation Funds <i>Use of name of trustee of fund, do not use the name of the fund</i>	Jane Brown Pty Ltd <Super Fund A/C>	Jane Brown Pty Ltd Superannuation Fund

4. Tax File Number or Exemption

An Applicant is not obliged to quote their Tax File Number ("TFN"). However in cases where no TFN is quoted, the Company must deduct tax from any dividends payable (to the extent that they are not franked) at the top personal marginal tax rate plus the Medicare levy.

5. Address

Enter the Applicant's postal address for all correspondence.

6. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact that Applicant if there is an irregularity regarding the Application Form.

7. Payment Details

Payment must be made in Australia currency by cheque or bank cheque drawn on an Australian bank. The amount of the cheque should agree with the amount shown in item 1 of the Application Form. Cheques are to be made payable to "Dyesol Limited Trust Account" and should be crossed "Not Negotiable". Cash should not be forwarded.