

# Newland Resources Ltd

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20 July 2006

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

Dear Sir,

## PROPOSED ISSUE OF OPTIONS

The Directors of Newland Resources Ltd wish to advise that they have resolved to seek shareholder approval, for the issue of 4,094,439 options to Mr Christian West, a director of the Company.

These options are to be the incentive component of his terms of appointment as Executive Director – Investor Relations & Business Development and form part of his remuneration package. The options are to be of the same class as the options recently issued to Mr Stephen Goschalk, the Group's Operations Officer.

Listing Rule 10.11 requires shareholder approval for the proposed issue of Incentive Options. Listing Rule 10.11 provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company to a related party. As Mr West is a related party of the Company and none of the exceptions contained in Listing Rule 10.12 apply, shareholder approval is required in accordance with Listing Rule 10.11. Consequently, shareholder approval will be sought at the next annual general meeting of shareholders for the issue of the options with the following terms and conditions:

- a) Each option entitles the holder to subscribe for one fully paid ordinary share in the Company.
- b) The options are exercisable at A\$0.08 (eight cents) each.
- c) The options will expire on 3 July 2011 (the **Expiry Date**).
- d) The options will be exercisable (by delivering a duly completed form of notice of exercise to the Company, accompanied by payment of the exercise price) at any time between the Vesting Date and the Expiry Date:  
3 July 2008 (the **Vesting Date**)

Notwithstanding the above, should the optionholder cease, for any reason, as an employee of the Newland Resources Ltd Group the options will lapse immediately and



automatically, except if the optionholder dies in service the options may be exercised by his personal representatives within the period of one year beginning with the date of death.

- f) The options are not transferable and no application will be made to Australian Stock Exchange Ltd (**ASX**) for quotation of the options.
- g) All shares issued upon exercise of the options will rank pari passu in all respects with the Company's then existing fully paid ordinary shares. The Company will apply for Official Quotation by ASX of all shares issued upon exercise of the options.
- h) There are no participating rights or entitlements inherent in the options and the holder will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, the Company will send a notice to each holder of options at least seven business days before the record date for determining entitlements to the issue in accordance with the Listing Rules of ASX. This will give option holders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.
- i) In the event of a reorganisation of the capital of Newland Resources Ltd, the rights of the optionholder will be changed to the extent necessary to comply with the listing rules applying to a reorganisation of capital at the time of the reorganisation.
- j) There will be no change to the exercise price of an Option or the number of shares over which an Option is exercisable in the event of the Company making a pro rata issue of shares or other securities to the holders of ordinary shares in the Company (other than for a bonus issue).
- k) If there is a bonus issue ("Bonus Issue") to the holders of ordinary shares in the Company, the number of shares over which an Option is exercisable will be increased by the number of shares which the holder would have received if the Option had been exercised before the record date for the bonus issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of that class at the date of issue of the Bonus Shares.

Yours faithfully,  
for **NEWLAND RESOURCES LTD**



L A Colless  
**Director**