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The Manager
Australian Stock Exchange
Company Announcements Office
Exchange Center
Lvl 4, 20 Bridge Street
Sydney NSW 2000

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Dear Sir

Option Issue Closing & Shortfall

The company would like to inform the market that the application for options offered pursuant to the prospectus dated 21.11.06 and lodged with the ASX on 22.11.06 has closed. Of the 99,255,521 options on issue, 88,046,096 have been allotted, with a shortfall of 22,301,000 that includes options that were applied for in excess of applicant entitlements.

The shortfall of options will be allotted as soon as practicable, but on or before 18.03.07, pursuant to clause 3.3 of the prospectus.

Yours faithfully

Richard Lambe
Company Secretary
Orchid Capital Limited