



2 November 2006

36 Reflection Gardens
Ballajura Western Australia 6066

Tel: +618 9321 3664

Fax: +618 9322 6887

info@orchidcapital.net

Dear Option Holder

REPLACEMENT ANNOUNCEMENT

EXPIRY OF LISTED OPTIONS (ASX CODE: ORCO)

We confirm that you are the holder of options (**Options**) in Orchid Capital Limited (**ORC**). This letter is to notify you of the impending expiry of your Options at 5:00pm WST on 30 November 2006 (**Expiry Date**).

In accordance with ASX Listing Rule 6.24, ORC provides you with the following information:

- (a) each Option entitles you to apply for one fully paid ordinary share in the capital of ORC;
- (b) the exercise price payable to exercise your Options by the Expiry Date is 5 cents per Option;
- (c) if you fail to exercise your Options prior to the Expiry Date, those Options will lapse and you shall have no further right or entitlement to those Options;
- (d) quotation of the Options on Australian Stock Exchange Limited (**ASX**) will end on **23 November 2006**;
- (e) the last available closing price of the listed shares in ORC prior to the date of this letter was 3.5 cents;
- (f) the last available closing price of the Options prior to the date of this letter was 0.4 cents;
- (g) the highest and lowest market sale price of ORC's shares on ASX during the 3 months immediately preceding the date of this letter and the respective dates of those sales were:
 - (h) Highest: 3.6 cents from 28 August 2006 to 18 October 2006
 - (i) Lowest: 3.3 cents from 26 July to 25 August;
- (j) the highest and lowest market sales price of ORC's Options on ASX during the 3 months immediately preceding the date of this letter and the respective dates of those sales were:
 - Highest: 0.4 cents on 24 and 25 October 2006
 - Lowest: 0.1 cents from 26 July 2006 to 13 September 2006 and from 29 September 2006 to 17 October 2006;

If you have any questions in relation to any of the above please contact the Company Secretary, Norman Grafton, on 9321 3664 or 0438 088 189.

Yours faithfully

**NORMAN GRAFTON
COMPANY SECRETARY
ORCHID CAPITAL LIMITED**