

AUSTRALIAN DEVELOPMENT CAPITAL LIMITED
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10 May 2004

Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

FUNDRAISING – FOR IMMEDIATE RELEASE

The Company is pleased to announce that it has entered into a two stage fundraising to raise the sum of \$350,000.

The Company has agreed to place 5,770,000 shares at 2 cents each to raise \$115,400.

The Company proposes issuing a further 11,730,000 shares at 2 cents each to raise a further \$234,600. This second issue is subject to shareholders approving:

- (a) the allotment of the 11,730,000 shares as this additional allotment results in the Company issuing in excess of 15% of the capital of the Company; and
- (b) of the 11,730,000 shares to be issued, 3,931,375 being issued to the directors.

The directors will be sending to shareholders a notice of meeting together with the appropriate materials to enable shareholders to consider and if thought fit, approve the proposed resolutions. Shareholders can expect to have this material shortly.

Last year the Company was provided with a loan facility of \$200,000 by Sampala Investments Pty Ltd. Half of this loan is to be repaid out of the proceeds of proposed issue of shares and the balance is to be subject to a convertible note which the Company has entered into with Sampala Investments Pty Ltd. This note converts to 5,000,000 issued at 2 cents per share and is convertible on or before 31 December 2005.

The Company will now have funding available to it to enable the Directors to investigate investment opportunities.

Yours sincerely

Michael Blakiston
Chairman