



29 December 2004

Manager Announcements
Company Announcements Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

OPTIONS EXPIRING 31 JANUARY 2005

We advise that the listed options in Red 5 Limited (Red 5) with an exercise price of 35 cents each, will expire on 31 January 2005 (ASX trading code: REDOA).

In accordance with a waiver granted by Australian Stock Exchange Limited, an option expiry notice in relation to these options will not be sent to option holders.

Information in relation to the options required by paragraph 6.1 of Appendix 6A of the ASX Listing Rules is disclosed as follows:

1. The number of options expiring on 31 January 2005 is 55,076,020.
2. The exercise price of the options is 35 cents per share.
3. Each option is exercisable into one ordinary fully paid share in Red 5.
4. The due date for exercise of the options is 5.00 p.m. Western Standard Time on Monday, 31 January 2005 (Expiry Date).
5. Options not exercised by the Expiry Date will automatically lapse. All rights and entitlements under the options will cease at that time.
6. Quotation of the options on Australian Stock Exchange Limited will cease at the close of trading on 21 January 2005.
7. The latest available market price of ordinary shares in Red 5 immediately prior to the date of this notice was 15 cents.
8. The highest market price of ordinary shares in the 3 months prior to the date of this notice was 19 cents on 18 November 2004 and the lowest market price in the 3 months prior to the date of this notice was 13 cents on 6 October 2004.

Red 5 will immediately forward an option expiry notice to option holders should the market price of Red 5's ordinary shares exceed 33 cents before 31 January 2005.

Yours faithfully

FRANK CAMPAGNA
Company Secretary