



ASX ANNOUNCEMENT

9 January 2006

Magnetica attracts further funding

Magnetica Limited is pleased to announce that it has raised \$200,000 through a placement of 625,000 shares at 32c each.

The Company has received \$100,000 from teQstart Pty Ltd, and a further \$100,000 from a private investor through the Company's financial advisors, InterFinancial Limited.

Dr David Evans, Managing Director of Magnetica, said "these funds are important to enable the company to proceed with its product development program and further its Alliance with Japan Superconductor Technology, Inc. (Jastec)."

Magnetica has forged strong partnerships with the University of Queensland and Jastec to design and manufacture MRI magnets. Its team includes scientists who have previously commercialised MRI magnet technology now incorporated in high field GE and Siemens MRI systems.

Jastec is the largest Japanese manufacturer of superconducting non-MRI magnets and superconducting wire. It is a 100% subsidiary of Kobe Steel, a company with revenues of US\$13 billion in 2004.

Magnetica will be seeking additional capital early in 2006.

Contact: Dr David A. Evans
Managing Director
Magnetica Limited
Corporate House
2404 Logan Road
Eight Mile Plains 4113
Tel: +61 7 3340 5183
Mobile +61 438 653 754

About Magnetica Limited

Magnetica Limited is a Brisbane based company specialised in the design, development and commercialisation of superconducting high performance magnets, magnet systems and magnet sub-systems, primarily for human diagnostic imaging. Magnetica's products are in the market segments with the largest market share and fastest growth in the expanding global MRI market with annual sales of US\$3.7 billion in 2004. The Company's technical competencies and its proprietary intellectual property are based on outcomes from over 15 years R&D at the University of Queensland, which has the most comprehensive magnetic resonance research equipment and infrastructure in Australia.

About teQstart Pty Ltd

teQstart Pty Ltd is the management company delivering the \$3.0 million BioStart and \$3.2 million teQstart investment funds established by the Queensland Government as part of the Smart State initiative. The Smart State initiative is aimed at stimulating the growth of Queensland's high-technology, knowledge-intensive industries. teQstart Pty Ltd is managed by an independent board of directors and invests amounts up to \$250,000 as a matching equity investment with private sector investors.

Magnetica Limited
ACN 010 679 633
Registered Office:
Level 2, 307 Queen Street
Brisbane QLD 4000