



K O A L A C O R P O R A T I O N
A U S T R A L I A L I M I T E D

ASX ANNOUNCEMENT

5 JANUARY 2005

CHANGES TO THE COMPANY'S CAPITAL STRUCTURE

Pursuant to resolutions passed at the Company's Annual General Meeting held on 23 December 2004, we note the following changes to the Company's capital structure have been effected on 5 January 2005:

1. A consolidation of the existing ordinary shares on a 15.4 : 1 basis, reducing the number of ordinary shares from 165,013,804 to 10,715,214.
2. Issue 25,000,000 ordinary shares to Uniquet Pty Limited to acquire certain rights in respect of an asymmetric MRI technology.
3. Issue 11,266,250 ordinary shares to raise working capital for the Company.

A summary of the effect of the above changes is set out below:

Ordinary Shares	Previous Capital Structure	Capital Consolidation	Share Issues	New Capital Structure
Existing shareholders	165,013,804	(154,298,590)	-	10,715,214
Uniquet Pty Ltd	-	-	25,000,000	25,000,000
Other new shareholders	-	-	11,266,250	11,266,250
Total	165,013,804	(154,298,590)	36,266,250	46,981,464

We note that the Company has no other classes of securities on issue.

For further information, please contact the Company Secretary on (07) 3303 0699.

By Order of the Board

DP Cornish
Company Secretary
5 January 2005