



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

7 JANUARY 2005

RESTRUCTURING THE COMPANY

The Company is pleased to announce that pursuant to the resolutions passed by shareholders at the Annual General Meeting of the Company held on 23 December 2004:

- the previously existing complex agreements in respect of the Magnetic Resonance Technologies have now been terminated;
- the facility provided to a subsidiary of the Company by the National Australia Bank Ltd to support the above arrangements has now been fully discharged; and
- the Company has now issued 25,000,000 shares to UniQuest Pty Ltd and in return has acquired a 100% interest in the Asymmetric Magnet Technology and an option to acquire rights to the Compact Magnet Technology.

These are substantial steps in clearing the way to completing the planned restructuring of the Company and the reinstatement of the shares of the Company to trading on the Australian Stock Exchange Ltd.

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

By Order of the Board

DP Cornish
Company Secretary
7 January 2005