

SOLCO LIMITED

ABN 27 084 656 691

Share Purchase Plan Entitlement and Acceptance Offer closes 5.00pm (WST) 10 February 2006

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Record Date: 19 January 2006
Price Per Share: \$0.21
Holder Identification Number (HIN):

This is an offer to eligible shareholders to subscribe for additional fully paid ordinary shares in Solco Limited ("Shares") under the terms and conditions of the Share Purchase Plan ("SPP") set out on the attached sheet.

The price per share for each Share issued under this offer is \$0.21. The offer price is at a discount of 11% on 23.6 cents, which was the average market price calculated over the last 5 days on which sales of Shares were recorded on the ASX before 19 January 2006.

An issue of Shares under the SPP does not require shareholder approval as the terms of the SPP fall within Listing Rule 7.2 Exception 15. An issue of Shares under the SPP to directors of Solco Limited ("Company"), who are not shareholders eligible to participate in the SPP, does not require shareholder approval as the terms of the SPP fall within Listing Rule 7.2 Exception 8.

The Company plans to raise up to a maximum of approximately \$1,000,000 pursuant to the SPP. Accordingly, the Company reserves the right to scale back the number of Shares issued to shareholders under the SPP if demand is strong. Any scaling down will be pro-rata for all shareholders on the basis of the amount. Alternatively, the Company also reserves the right to accept oversubscriptions of up to 30% of its current issued share capital under the SPP.

The market price of Shares may rise or fall between the date of this offer and the date that the shares are allocated to you. This means that the subscription price you pay for the Shares may be less than the market price of the Shares at the date of allotment of the Shares under this offer. We recommend that you obtain your own financial advice in relation to this offer and consider price movements of Shares prior to accepting this offer.

The maximum application of \$5,000 that each shareholder may apply for will apply even if a shareholder received more than one offer (whether in respect of a joint holding or because a shareholder has more than one holding under separate share accounts). The Company reserves the right to reject any application if this rule has not been complied with.

Application for Shares

To participate in the Share Purchase Plan shareholders must select **only one** of the five following offers. Please mark the selected box.

Offer A		Offer B		Offer C		Offer D		Offer E	
<input type="checkbox"/>	\$5,000	<input type="checkbox"/>	\$4,000	<input type="checkbox"/>	\$3,000	<input type="checkbox"/>	\$2,000	<input type="checkbox"/>	\$1,000
	23,810	OR	19,048	OR	14,286	OR	9,524	OR	4,762
	Shares		Shares		Shares		Shares		Shares

Please complete the following cheque payment details:

Drawer	Bank	Branch or BSB	Amount

DO NOT DETACH THIS PORTION – RETURN ENTIRE FORM

Cheques should be made payable to "Solco Limited Share Purchase Plan Account" and crossed "Not Negotiable".

Telephone number where we may contact you during business hours. () _____

Contact Name: _____

Offer Closes 5.00pm (WST) time 10 February 2006

Applicant's Certification and Confirmation

By lodging this Entitlement and Acceptance Form you certify that the aggregate of the application price for the following does not exceed \$5,000:

- (a) the Shares that are the subject of this application; and
- (b) any other Shares applied for by you under the SPP (or any similar arrangement in the 12 months prior to the application), whether:
 - (i) in your own right, or
 - (ii) jointly with one or more persons, or
 - (iii) in your capacity as a beneficiary (as defined below),

but not including in your capacity as a trustee or nominee where it is expressly noted on the Company's register of members that your shareholding is held on account of another person.

If 2 or more persons are recorded in the register of members as jointly holding the Shares to which this entitlement relates, this certificate is taken to be given by each joint holder in respect of him/her/itself.

If a trustee or nominee is expressly noted on the Company's register of members as holding the shares to which this entitlement relates on account of another person (the "beneficiary"), this certifications and confirmation is taken to be given by the beneficiary in respect of him/her/itself (and not the trustee or nominee).

Please note:

- Payments may only be made by cheque or bank draft in Australian dollars and drawn on an Australian branch of a financial institution.
- Cheques or bank drafts are to be made payable to: Solco Limited's Share Purchase Plan Account and crossed with Not Negotiable.
- Cash payments will not be accepted via the mail or at Computershare Investor Services Pty Limited.
- If you wish to accept this offer please return this Entitlement and Acceptance form duly completed together with a cheque for the subscription amount, in the envelope provided, by 5.00pm Perth time 10 February 2006.
- The Company may reject an acceptance of this offer, in its absolute discretion, if this form is not completed in accordance with this offer, is incomplete or if the exact amount payable is not received with this form.

Receipt by Solco Limited of this form duly completed together with the full subscription amount, will constitute acceptance in accordance with the terms and conditions of the Share Purchase Plan and the constitution of Solco Limited by the shareholder named on this form. A signature on this form is not required.

QUESTIONS AND CONTACT DETAILS

If you have any questions regarding the Share Purchase Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or Solco Limited's Share Registrar at:

Computershare Investor Services Pty Limited
Phone: **1300 557 010**

Addresses:

By Post	By Hand
Computershare Investor Services Pty Limited GPO Box D182 Perth Western Australia 6840	Computershare Investor Services Pty Limited Level 2 45 St Georges Terrace Perth Western Australia 6000

Return this form and cheque in the enclosed business reply paid envelope provided.

Offer Closes 5.00pm Perth time 10 February 2006