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## **ASX ANNOUNCEMENT**

**13 June 2006**

### **\$1.98 Million Placement to Gandel Group**

Dr Daryl Holmes Managing Director of 1300 SMILES today announced the placement of 1,200,000 shares in 1300 SMILES to the Gandel Group at a price of \$1.65, raising \$1,980,000 of additional equity capital.

"The funds raised from the placement will be used by 1300 SMILES to establish and acquire further dental practices", Dr Holmes said.

Dr Holmes further stated that "The Gandel Group has expressed interest in investing in the Company for a number of months and the Board now welcomes Gandel Group as a significant shareholder". The volume weighted average price (VWAP) of the Company's shares during May was \$1.6328.

1300 SMILES provides the use of dental surgeries and practice management and other services to self employed dentists. The Company operates numerous multi-Dentist facilities throughout Queensland. Several dentists who use the Company's services have special interests and experience in such areas such as endodontics, implantology, oral surgery and periodontics. As the Company expands the number of practices under management there is scope to benefit from synergies and cross specialisation across practices.

Dr Holmes stated that the Company is performing according to plan and that numerous opportunities to establish and acquire further dental practices continue to be evaluated.

Dr Holmes concluded by stating that, "I am looking forward to further development of the Company with the support of the Gandel Group as a significant investor".

#### **Section 708A(5)(e) notice**

Notice is hereby given by the Company under section 708A(5)(e) of the Corporations Act in relation to an issue of 1.2 million fully paid Ordinary Shares by the Company without disclosure to investors under Part 6D.2 of the Corporations Act.

**ASX code: ONT**

As at the date of this notice, the Company notifies the ASX that:

- (a) it has complied with the provisions of Chapter 2M of the Corporations Act as they apply to the Company;
- (b) it has complied with section 674 of the Corporations Act as it applies to the Company; and
- (c) there is no information which is excluded information as contained in sections 708A(7) and 708A(8) of the Corporations Act.

A handwritten signature in black ink, appearing to read 'D. Holmes', with a long horizontal flourish extending to the right.

On behalf of the Board  
Daryl Holmes  
Managing Director