

GARRATT'S LIMITED

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10 January 2008
Company Announcements Office
Australian Stock Exchange
Level 4
20 Bridge Street
Sydney NSW 2000

Via ASX Online

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ANNOUNCEMENT

CONVERSION OF GARRATT'S LIMITED CONVERTIBLE NOTES WITH INTEREST AT 1% PER ANNUM MATURING ON 31 OCTOBER 2010

The Directors of Garratt's Limited announced that today all the 16,800,000 Convertible Notes issued in 2005 to parties in which Mr. Chiang Meng Heng had a relevant interest (14,000,000 Convertible Notes) and in which Mr. Christopher Campbell had relevant interests (2,800,000 Convertible Notes), have been converted to ordinary shares in Garratt's Limited.

Following these conversions:

- a. The total number of ordinary shares on issue has increased to 40,590,562;
- b. Mr. Chiang Meng Heng now has relevant interests in 24,941,886 ordinary shares;
- c. Mr. Christopher Campbell now has relevant interests in 6,787,527 ordinary shares; and
- d. There are no longer any Convertible Notes outstanding

Stephanie Noble
Company Secretary