



LEMARNE CORPORATION LIMITED
A.C.N. 004 834 584

MARKET ANNOUNCEMENT

ACQUISITION OF MOLESCAN SKIN CANCER CLINIC GROUP

Lemarne Corporation Limited (ASX: LMC) advises that late yesterday (28 October 2004) it entered into agreements to acquire 80% of the Molescan Group (“Molescan”) for \$12 million. Completion is scheduled for 12 November 2004. Lemarne has established a new subsidiary, Lemarne Healthcare Pty Ltd for this purpose. It has an option to acquire the remaining 20% of the shares in Lemarne Healthcare that it does not own.

Lemarne has identified the health sector as a sector likely to experience strong future growth, and the acquisition meets our criteria for an investment in this sector.

Molescan is a leading provider of facilities for doctors working on the detection and treatment of skin cancers, and currently has 21 clinics in Australia. These clinics are located in Queensland, Western Australia, South Australia, Victoria and Tasmania. Since Australia has the highest per capita incidence of non-melanoma skin cancers in the world, the demand for these services is growing and more clinics are needed with doctors trained in the early detection and treatment of skin cancers.

Over the past 10 years, Molescan has developed a unique approach to the system of providing services to the doctors with rooms and specialised equipment for the detection and treatment of skin cancers. Molescan provides training in the use of the equipment with clinical support and administrative services.

As a privately owned business Molescan has enjoyed strong growth in recent years under the direction of Dr Gordon Patrick. We believe that with the financial and management support of Lemarne, Molescan will continue this expansion by providing more skin cancer detection and treatment clinics in Australia, and later internationally. We are pleased to announce that Dr Patrick will continue to drive the growth and direction of the business as Managing Director / Group Medical Director of Lemarne Healthcare and will retain 20% equity in that company.

29 October 2004