



7 July 2006

Dear Shareholder/Optionholder

Resonance Health Limited ("RHT") today lodged a prospectus with ASIC and ASX for a non-renounceable entitlements offer ("**Entitlements Offer**") to Australian and New Zealand registered ordinary shareholders as at 5.00pm Perth time on 17 July 2006 ("**Record Date**"). A total of approximately 153,455,820 ordinary shares will be offered to eligible shareholders.

The Entitlements Offer is not underwritten and will not proceed unless the Company receives subscriptions under the offer and from the placement of any shortfall of at least \$1.5 million in aggregate, before costs.

Eligible shareholders will be entitled to apply for 3 new ordinary shares for every 4 shares held on the Record Date at a price of 2 cents per new share. Eligible shareholders will also be able to apply for shares available from any shortfall in the Entitlements Offer ("**Additional Shares**"). To the extent shareholders do not take up their entitlements the directors reserve the right to place the shortfall with other wholesale and professional investors chosen by the Board.

Entitlements to subscribe for new shares are non-renounceable so may not be sold.

**Information for Option Holders**

Holders of existing options must exercise their options prior to the Record Date if they wish to participate in the Entitlements Offer.

**Overseas Holders**

The offer under the prospectus is limited to shareholders with registered addresses in Australia or New Zealand. With the exception of New Zealand, overseas shareholders will not be offered entitlements and may not participate in the Entitlements Offer.

**Use of funds**

The Entitlements Offer will raise up to approximately A\$3.06 million (less expenses) to provide the Company with additional capital to commence full development of the Company's FibroScreen™ project and for general working capital.

**Action by shareholders**

The issue is non-renounceable so shareholders cannot sell their entitlements. You may take up your entitlement in full or in part. If you take up your full entitlement you may apply for Additional Shares at the same price. Your entitlement will be determined as at the Record Date.

Acceptances and applications can be made only on the personalised Entitlement and Acceptance Form which shareholders will receive with the prospectus.

The prospectus and a personalised Entitlement and Acceptance Form will be despatched to shareholders on 18 July 2006. Full details of the entitlements issue are set out in the prospectus and a copy is available for review on Resonance website at [www.resonancehealth.com](http://www.resonancehealth.com) or ASX's website at [www.asx.com.au](http://www.asx.com.au).

**Key Dates for shareholders to note:**

The key dates for the Entitlements Offer are set out below. These dates are subject to change by Resonance, in consultation with the ASX.

Lodgement of entitlements issue prospectus	Friday 7 July 2006
Shares trade "ex-entitlements"	Tuesday 11 July 2006
Record Date (5.00 pm WST)	Monday 17 July 2006
Despatch of Prospectus	Tuesday 18 July 2006
Entitlements offer closes (5.00 pm WST)	Tuesday 1 August 2006
Allotment of new shares and despatch of holding statements	Thursday 10 August 2006
Trading of new shares expected to commence on ASX	Friday 11 August 2006

These dates are indicative only and maybe changed if circumstances necessitate this.

Yours faithfully



Eva Liu  
Company Secretary

For further information please call the Company Secretary on: (08) 9286 5300.

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