

Avatar Industries Limited

(A.C.N. 008 742 390)

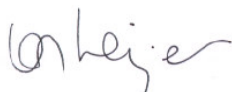
17 October 2005

The Australian Stock Exchange
Company Announcements
Announcement Number 225

MEDIA RELEASE

Please find attached a media release by Lednium Pty Limited, a wholly owned subsidiary of Avatar Industries Limited.

Yours sincerely



Ian Leijer
Company Secretary





Lednium Pty Limited
ABN 57 002 057 383

Maroondah Highway
Mooroolbark, Victoria, 3138
Australia

All correspondence:
PO Box 181, Lilydale
Victoria 3140, Australia
Visit: www.lednium.com

Telephone: (03) 9727 8787
Facsimile: (03) 9727 1667

MEDIA RELEASE

TO: National Media

DATE: 17 October 2005

SUBJECT: Lednium and Optek form Strategic Alliance in Solid State Lighting

Lednium announces the formation of a strategic alliance with OPTEK Technology Inc ("Optek") through the signing of a joint research and design, manufacturing and marketing Agreement.

The strategic alliance with Optek, a leader in Optoelectronics since 1968, will increase Lednium's market coverage and positioning internationally and provide a range of new product and market opportunities.

Optek, a subsidiary of TT electronics plc ("TTe"), is a leading manufacturer of standard and application-specific sensors using infrared, visible, magnetic and fibre optic technologies focused on applications in office machines, industrial equipment, encoders, automotive electronics, military and high-reliability applications, and medical diagnostic equipment. Optek has an extensive global network of sales engineers, representatives and distributors. In North America Optek has over 225 sales engineers operating from 48 offices and 7 distributors. TTe is a global electronics company manufacturing a broad range of advanced electronic components, assemblies and sensor modules for the automotive, industrial, telecommunications, computer and aerospace markets.

Under terms of the agreement, OPTEK will develop and market a series of solid state lighting products using the Lednium LED packaging technology. Designated the OPTEK Lednium Series, the new product line will include single-chip "cup" packaged discrete LED lighting units as well as multi-chip geodesic dome shaped 10W LED assemblies. Available colours will include white, blue, green, amber, and red, along with colour combinations such as RGB.

OPTEK and Lednium also plan to jointly develop other wavelength technologies to be packaged for various markets, from medical applications to surveillance and security equipment. Applications for the OPTEK Lednium Series include architectural lighting, automotive, aviation, display, entertainment, gaming and vending machines, marine, military, signs and signals, variable message signs and general illumination.

In addition to the single chip "cup" and multi-chip geodesic dome shaped LED assemblies Lednium has developed over 50 end product applications ranging from architectural and safety lighting to automotive aftermarket assemblies such as tail lights and clearance lights which will be released to the market in the near future.

Lednium products have been designed and engineered to meet the highest of quality standards.

Lednium is proud to have won the coveted "Australian Government Engineering Innovation Award" in November 2004 for the new design and development of a Solid State Lighting (SSL) technology using Light Emitting Diodes (LED's) as well as winning the "2004 Engineering Excellence Award for Research and Development" in Sydney in October 2004.

Lednium, a subsidiary of Avatar Industries Limited, is an innovative Australian based company, leads the world in LED platform design in producing the world's first three dimensional LED's die platforms and offers one of the brightest single source 3D LED devices on the market.

For further information please contact Balu Jega, Chief Operations and Research Officer, on (03) 9727 8787 or 0419 355 965.

Also, please visit www.lednium.com for any additional information or images (subject to copyright) for publication.