

MOBILARM LIMITED

ABN 15 106 513 580 (ASX:MBO)

ENTITLEMENT OFFER PROSPECTUS

For a non-renounceable pro rata offer to Eligible Shareholders on the basis of one (1) new Share for every one (1) Share held at an issue price of \$0.007 per Share to raise up to \$2,450,598 (Offer).

The Offer is fully underwritten by Gleneagle Securities (Aust) Pty Limited (Underwriter). Refer to Section 6.6 for details regarding the terms of the Underwriting Agreement.

THIS OFFER CLOSSES AT 5.00 PM AEST ON 24 AUGUST 2015

VALID ACCEPTANCES MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Prospectus and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement under the Offer.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IT SHOULD BE READ IN ITS ENTIRETY**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER
WITHOUT DELAY.**

THE SHARES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

Not for release, publication or distribution, directly or indirectly, in whole or in part, into or within the United States or to U.S. Persons.

IMPORTANT INFORMATION

This Prospectus is dated 31 July 2015 and was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 2, 55 Carrington Street, Nedlands, Western Australia, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 6.2).

The Shares offered by this Prospectus should be considered speculative. Please refer to Section 5 for details relating to investment risks.

Acceptances of Shares can only be submitted on an original Entitlement sent with a copy of this Prospectus by the Company. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer. If Acceptance is by BPAY there is no need to return the original Entitlement and Acceptance Form.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia and New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares other than in Australia and New Zealand.

Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 5 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5 of this Prospectus.

CORPORATE DIRECTORY

Directors Tim McClement - Non-Executive Chair Ken Gaunt - Managing Director Jorge Nigaglioni - Executive Director	Company Secretary David McArthur
Stock Exchange Listing Australia, ASX Code: MBO	Company Website www.mobilarm.com
Principal Office 2/33 Roberts Street Osborne Park WA 6017 Tel: +61 8 9315 3511 Fax: +61 8 9315 3611	Registered Office 2/33 Roberts Street Osborne Park WA 6017 Tel: +61 8 9315 3511 Fax: +61 8 9315 3611
Share Registry* Security Transfer Registrars 770 Canning Highway Applecross WA 6153 Australia Telephone: +61 8 9315 2333 Facsimile: +61 8 9315 2233 www.securitytransfer.com.au	Solicitors to the Company Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street PERTH WA 6000 <hr/> Underwriter Gleneagle Securities (Aust) Pty Limited

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

PROPOSED TIMETABLE

Lodge Prospectus with ASIC	31 July 2015
Lodge Appendix 3B and Prospectus with ASX	31 July 2015
Notice sent to Option holders	31 July 2015
Notice sent to Eligible Shareholders	5 August 2015
Shares quoted on an “EX” basis	6 August 2015
Record date for determining Entitlements	10 August 2015
Prospectus and Entitlement and Acceptance Form sent to Eligible Shareholders and the Company announces this has been completed	13 August 2015
Last day to extend Offer Closing Date	19 August 2015
Closing Date*	24 August 2015
Shares quoted on a deferred settlement basis*	25 August 2015
Notification to ASX and Underwriter of Shortfall*	27 August 2015
Underwriter (or nominee/s) and sub-underwriter subscribe for Shortfall under terms of Underwriting Agreement	31 August 2015
Issue date of the Shares and lodgement of Appendix 3B with ASX *	31 August 2015
Despatch of holding statements*	31 August 2015
Normal trading (T+3) of Shares commences*	1 September 2015

*Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer. Any extension of the Closing Date will have a consequential effect on the date for issue of the Shares and the commencement of quotation of the Shares the subject of the Offer.

CONTENTS

1.	Details of Offer -----	1
2.	Purpose and Effect of the Offer-----	6
3.	Action required by Shareholders -----	10
4.	Rights and liabilities attaching to Shares-----	12
5.	Risk Factors-----	15
6.	Additional Information-----	18
7.	Authorisation -----	29
8.	Glossary of Terms-----	30

1. Details of the Offer

1.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of 1 New Share for every 1 existing Share held at 5.00pm (AWST) on 10 August 2015 (i.e. the Record Date), at the issue price of A\$0.007 per New Share. The Company intends to raise up to approximately A\$2,450,598 (gross) under the Offer.

On the basis that no further Shares are issued or no Options are exercised prior to the Record Date, the Company will be offering 350,085,416 Shares pursuant to the Offer.

Shares issued under the Offer will be issued on a fully paid basis and will rank equally in all respects with existing Shares from their date of issue.

The primary use of the funds being raised from the Offer is the purchase of inventory to expand its rental and service programmes as shown in Section 2.1.

1.2 Minimum subscription

The Offer is fully underwritten and so the minimum subscription is equal to the full subscription.

If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

1.3 Opening and Closing Dates

The Company will accept Entitlement and Acceptance Forms from the Record Date for determining Eligible Shareholders' Entitlements under the Offer until 5:00 pm AWST on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

1.4 Entitlement and Acceptance Forms

Acceptance of a completed Entitlement and Acceptance Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Applicant. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of Shares.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Refer to Section 3 for details as to what action may be taken by Eligible Shareholders in relation to their Entitlement.

1.5 Underwriting and Sub-Underwriting

The Offer is fully underwritten by Gleneagle Securities (Aust) Pty Limited (**Underwriter**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter an underwriting fee of \$30,000 (excluding GST) for the full underwriting of the Offer.

Refer to Section 6.6 for further details of the terms of the Underwriting Agreement.

Jorge Nigaglioni and Ken Gaunt, both Directors of the Company, have entered into agreements with the Underwriter to sub-underwrite up to \$20,545 and \$1,515,598 of the Offer respectively.

The allocation of the Shortfall between the sub-underwriters will be at the discretion of the Underwriter.

1.6 Effect on Control of the Company and potential dilution to Shareholders

The Underwriter is not presently a Securityholder of the Company. The Underwriter has agreed to use its best endeavours where it can to allocate the Shortfall Shares to sub-underwriters such that neither the Underwriter nor any of its sub-underwriters will individually have a voting power in the Company in excess of 20%, except for Mr Gaunt (a director of the Company) who may acquire a voting power of up to 37.93% following completion of the Offer if he is required to subscribe for his full sub-underwriting commitment. Refer below for further details of the maximum potential effect of Mr Gaunt's sub-underwriting on the Offer. In addition, the sub-underwriters appointed by the Underwriter, other than Mr Gaunt and Mr Nigaglioni, are not related parties of the Company.

If the sub-underwriters fail to meet their obligations and none of the Shareholders participate in the Offer, the Underwriter will be obligated under the Underwriting Agreement to subscribe for 350,085,416 Shares which would result in the Underwriter acquiring a 50% voting power in the Company. However, the Directors consider this scenario to be unlikely on the basis that it is unlikely that no Shareholders will take up entitlements under the Offer and the Offer is partially sub-underwritten by related parties of the Company. The underwriting obligation and therefore voting power of the Underwriters will change by a corresponding amount for the amount of entitlements under the Offer taken up by the other Shareholders and the sub-underwriters.

Mr Nigaglioni is a Securityholder of the Company and holds 636,415 Shares in the Company and is a related party of the Company by virtue of being a Director. If Mr Nigaglioni is required to subscribe for his full sub-underwriting commitment of 2,935,014 Shortfall Shares and upon receiving his full Entitlement of 636,415 Shares under the Offer, Mr Nigaglioni will hold a total of 4,207,844 Shares, being a 0.6% interest (based on the capital structure of the Company following completion of the Offer on an undiluted basis).

Mr Gaunt is a Securityholder of the Company and holds 49,082,161 Shares in the Company and is a related party of the Company by virtue of being a Director. If Mr Gaunt is required to subscribe for his full sub-underwriting commitment of 216,513,987 Shortfall Shares, Mr Gaunt will hold a total of 265,596,161 Shares, being a 37.9% interest (based on the capital structure of the Company following completion of the Offer on an undiluted basis). Mr Gaunt has notified the Company that he does not intend to take up his entitlement under the Offer.

Mr Gaunt's present relevant interest and changes under several scenarios are set out in the table below. The number of shares held by Mr Gaunt and his voting power in the table below show the maximum potential effect of his sub-underwriting of the Offer. However, the Directors consider it unlikely that no shareholders, other than Mr Nigaglioni, will take up entitlements under the Offer. The sub-underwriting obligation and therefore voting power of Mr Gaunt will reduce by a corresponding amount for the amount of entitlements under the Offer taken up by the other shareholders.

Event	Shares held by Mr Gaunt following completion of the Offer and allocation of Shortfall	Voting power of Mr Gaunt
Date of Prospectus	49,082,161	14.02%
Completion of Entitlement Issue		
<ul style="list-style-type: none"> Fully subscribed (other than Mr Gaunt) 	49,082,161	7.01%
<ul style="list-style-type: none"> 75% subscribed (87,521,354 Shortfall Shares) 	136,603,515	19.51%
<ul style="list-style-type: none"> 50% subscribed (175,042,708 Shortfall Shares) 	224,124,869	32.01%
<ul style="list-style-type: none"> 37.9% subscribed (being the Sub-Underwriter's current holding plus full allocation of Mr Gaunt's sub-underwriting commitment) 	265,596,161	37.93%

In addition, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 50% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	75,000,000	21.42%	75,000,000	75,000,000	10.71%
Shareholder 2	25,000,000	7.14%	25,000,000	25,000,000	3.57%
Shareholder 3	10,000,000	2.86%	10,000,000	10,000,000	1.43%
Shareholder 4	5,000,000	1.43%	5,000,000	5,000,000	0.71%
Shareholder 5	1,000,000	0.29%	1,000,000	1,000,000	0.14%
Total	350,085,416	100%	350,085,416	350,085,416	50%

Notes:

- The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

1.7 Shortfall Offer

In the event that not all Eligible Shareholders accept their Entitlement in full pursuant to the Offer, those Entitlements will form the Shortfall (**Shortfall Offer**).

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.007 being the price at which Shares have been offered under the Offer.

The Shortfall will be issued in accordance with the terms of the Underwriting Agreement (refer to Section 6.6 of this Prospectus for details of the terms of the Underwriting Agreement).

1.8 No Rights Trading

The Entitlement to Shares under the Offer is non-renounceable. Accordingly, there will be no trading of Entitlements on ASX and you may not dispose of your Entitlements to subscribe for Shares to another party. If you do not take up your Entitlement to Shares under the Offer by the Closing Date, the Offer to you will lapse and those Shares will form part of the Shortfall.

1.9 Issue of Shares

Shares under the Offer are expected to be issued, and Securityholder statements despatched, on or before the date set out in the proposed timetable in this Prospectus.

Holding statements for Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements do so at their own risk.

1.10 Application Monies held on trust

All Application Monies received for the Shares will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

1.11 ASX quotation

Application for the Official Quotation of the Shares offered by this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If permission is not granted by ASX for the Official Quotation of the Shares offered by this Prospectus within three months after the date of this Prospectus (or such other period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

1.12 Residents Outside Australia and New Zealand

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address at the Record Date which is outside Australia or New Zealand.

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013. Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.13 Dealing With Entitlements of Ineligible Shareholders

Pursuant to section 615 of the Corporations Act, the Company will, subject to ASIC's consent, appoint Gleneagle Securities (Aust) Pty Limited as the nominee to subscribe for New Shares which Ineligible Shareholders would have been entitled and sell them on their behalf(**Nominee**).

Pursuant to the arrangement between the Company and the Nominee:

- a) the Company will issue to the Nominee the New Shares that the Ineligible Shareholders would be entitled if they participated in the Offer (**Nominee Shares**);
- b) the Nominee will then sell the Nominee Shares at a price and otherwise determined by the Nominee;
- c) the net proceeds of the sale of the Nominee Shares (after deducting the aggregate subscription price for the Nominee Shares, with each Nominee Share being issued at the offer price of \$0.007, and costs) if any, will be distributed by the Nominee to Ineligible Shareholders for whose benefit the Nominee Shares are sold in proportion to their shareholdings as at the Record Date.

There is a possibility that the Ineligible Shareholders may receive no net proceeds if the aggregate subscription price for the Nominee Shares and costs for sale of the Nominee Shares are greater than the sale proceeds received by the Nominee for the sale of the Nominee Shares. The Company and the Nominee will not be held liable for the sale of any of the Nominee Shares at any particular price or the timing of such sale.

The Shares not taken up will form part of the Shares to be taken up by the Underwriter pursuant to the Underwriting Agreement.

For its operation of the procedure of the sale of the Nominee Shares, the Company has agreed to pay the Nominee a fixed fee of \$3,500 (exclusive of GST) and a brokerage fee of 1% of the total gross proceeds from the sale of the Nominee Shares.

Ineligible Shareholders should note that their proportional interests in the Company will be diluted because they are not entitled to participate in the Offer.

1.14 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary, David McArthur, by telephone on 08 9315 3511.

2. Purpose and Effect of the Offer

2.1 Purpose of the Offer

The purpose of the Offer is to raise up to approximately A\$2,450,598 (before the payment of costs associated with the Offer).

The Company intends to apply the funds raised from the Offer as set out below.

Activity	Allocated Funds
Inventory to expand its rental and service programmes using the Company's products ¹	\$2,058,903
Expenses of the Offer ²	\$80,270
General working capital and evaluation of new business opportunities ³	\$311,425
Total	\$2,450,598

Notes:

1. The Company is manufacturing larger volumes of its man overboard locator beacons in order to lower costs and expand its rental portfolio, a key strategic initiative of the Company.
2. Refer to Section 6.11 of this Prospectus for further details relating to the estimated expenses of the Offer.
3. The Company requires working capital to offset the delayed cash impact of the rentals. It will also evaluate new business opportunities in related and other markets.

The above table is a statement of current intentions as at the date of this Offer. As with any budget, intervening events (including changes in regulations or introduction of new technologies) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

2.2 Effect of the Offer

The principal effect of the Offer, assuming no Options are exercise prior to the Record Date, will be to increase the cash reserved by A\$2,370,328 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer and to increase the number of Shares on issue from 350,085,416 as at the date of this Prospectus to 700,170,832 Shares.

2.3 Capital structure on completion of the Offer

Shares	Number of Shares
Balance at the date of this Prospectus	350,085,416
To be issued under the Offer ⁽¹⁾	350,085,416
Balance after the Offer	700,170,832

- ⁽¹⁾ The number of Shares to be issued under the Offer assumes that no Unlisted Options, convertible notes or performance rights are exercised before the Record Date.

Options	Number of Options
Balance at the date of this Prospectus:	
• Options exercisable at 20 cents by 22 December 2015	625,000
• Options exercisable at 20 cents by 15 October 2015	83,333
• Options exercisable at 7.2 cents by 9 June 2016	500,000
• Options exercisable at 2.1 cents by 31 January 2018	29,670,487
• Options exercisable at 2.7 cents by 1 September 2015	2,000,000
To be issued under the Offer ⁽¹⁾	Nil
Balance after the Offer	32,878,820

Convertible Notes¹	8
To be issued under the Offer	Nil
Balance after the Offer	8

Performance Rights	19,000,000
To be issued under the Offer	Nil
Balance after the Offer	19,000,000

Notes:

- 1 The Convertible Notes may convert into 33,333,334 Shares on full conversion at an issue price of \$0.06 per Share with a term expiring 4 August 2016.

Shareholders should note that if they do not participate in the Offer, their holdings will be diluted by 50% as compared to their holdings and number of Shares on issue as at the date of the Prospectus (assuming all Shares offered under this Prospectus are issued and no Options, convertible notes or performance rights are exercised prior to the Record Date).

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

2.4 Details of Substantial Holders

Based on publicly available information as at 20 July 2015 those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Blazzed Pty Ltd	49,082,161	14.0%
Newd Corporation Pty Ltd	32,419,409	9.3%
Dutch Ink 2010 Pty Ltd	31,180,728	8.9%
McNeil Nominees Pty Ltd	29,784,699	8.5%
Jayden Investments Pty Ltd	28,572,115	8.2%

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

2.5 Pro forma statement of financial position

To illustrate the effect of the Offer on the Company, a pro forma statement of financial position has been prepared based on the unaudited statement of financial position at 31 March 2015. The pro forma statement shows the effect of the Offer as if it had been made on 31 March 2015 at full subscription. The pro forma includes the Company's recent placement of 350,085,416 shares at an issue price of \$0.007 per share to raise \$2,450,598.

	31 March 2015 (Unaudited)	Pro forma adjustments	Pro forma 31 March 2015
	\$		\$
CURRENT ASSETS			
Cash and cash equivalents	2,754,920	2,370,328	5,125,248
Trade and other receivables	1,060,277		1,060,277
Inventories	1,877,298		1,877,298
Other current assets	420,844		420,844
TOTAL CURRENT ASSETS	6,113,339	2,370,328	8,483,667
NON-CURRENT ASSETS			
Plant and equipment	959,018	-	959,018
Intangible assets and Goodwill	3,026,271	-	3,026,271
TOTAL NON-CURRENT ASSETS	3,985,289	-	3,985,289
TOTAL ASSETS	10,098,628	2,370,328	12,468,956
CURRENT LIABILITIES			
Trade and other payables	880,469	-	880,469
Accruals	196,176	-	196,176
Interest bearing loans and borrowings	5,299	-	5,299
Provisions	101,544	-	101,544
Customer deposits	152,225	-	152,225
Tax	390,447	-	390,447
TOTAL CURRENT LIABILITIES	1,726,159	-	1,726,159
NON-CURRENT LIABILITIES			
Provisions	44,956	-	44,956
Notes payable	3,014,159	-	3,014,159
TOTAL NON-CURRENT LIABILITIES	3,059,115	-	3,059,115
TOTAL LIABILITIES	4,785,274	-	4,785,274

	31 March 2015 (Unaudited)	Pro forma adjustments	Pro forma 31 March 2015
NET ASSETS	<u>5,313,354</u>	<u>2,370,328</u>	<u>7,683,682</u>
EQUITY			
Contributed equity	29,686,075	2,370,328	32,056,403
Accumulated Losses	(25,360,011)	-	(25,360,011)
Reserves	987,289	-	987,289
TOTAL EQUITY	<u>5,313,354</u>	<u>2,370,328</u>	<u>7,683,682</u>

Basis of Preparation

The pro forma statement of financial position has been prepared in accordance with the ASIC Regulatory Guide 230 relating to Disclosing non-IFRS Financial Information. The pro forma statement of financial position is based on the unaudited statement of financial position as at 31 March 2015 that has been adjusted to reflect the issue of 350,085,416 Shares pursuant to this Prospectus to raise \$2,450,598 before costs of the Offer of \$80,270.

2.6 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

3. Action required by Shareholders

3.1 Acceptance of Shares under this Prospectus

Should you wish to accept all of your Entitlement to Shares and you are not paying by BPAY, then application for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Eligible Shareholders must pay with Australian currency by cheque, bank draft, money order or BPAY®.

Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, your completed Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to “**Mobilarm Limited Entitlement Offer**” and crossed “**Not Negotiable**”. Any agreement to issue Shares to you following receipt of your Entitlement and Acceptance Form is conditional on your cheque, bank draft or money order in payment of the Application Monies for those Shares being honoured on first presentation. Your cheque, bank draft or money order must be:

- for an amount equal to A\$0.007 multiplied by the number of Shares that you are applying for; and
- drawn on an Australian branch of a financial institution.

It is important to note that the Offer closes at 5.00pm (AWST) on 24 August 2015. In order to participate in the Offer, your payment must be received no later than this date. Shareholders who make payment via cheque, bank draft or money order should mail their completed Entitlement and Acceptance Form together with Application Monies as follows:

By post:

Security Transfer Registrars Ltd
PO Box 535
Applecross WA 6953
Australia

By hand:

Security Transfer Registrars Ltd
770 Canning Highway
Applecross WA 6153
Australia

Please note that Entitlement and Acceptance Forms and Application Monies will not be accepted at Mobilarm’s registered or corporate offices.

Payment by BPAY®

For payment by BPAY® please follow the instructions on the Entitlement and Acceptance Form. It is your responsibility to ensure that your BPAY® payment is received by the Registry by no later than 5.00pm (AWST) on 24 August 2015, being the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

If you elect to pay via BPAY®, you do not need to lodge an Entitlement and Acceptance Form with the Registry. By making a payment of Application Monies through BPAY®, however, you will be deemed to have made the declarations set out in the Entitlement and Acceptance Form.

Make sure you use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form.

If you have more than one shareholding and consequently receive more than one Entitlement and Acceptance Form, when taking up your entitlement in respect of one of those shareholdings, only use the CRN specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same CRN for more than one of your shareholdings. This can result in your Application Monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid or excess Application Monies being applied solely to an application for Additional Shares rather than your Entitlement).

3.2 If you wish to take up part of your Entitlement only

Should you wish to only take up part of your Entitlement and you are not paying by BPAY, then applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of Shares you wish to accept and the amount payable (calculated at 0.007 cents per Share) and attach a cheque for the appropriate Application Monies.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Mobilarm Limited Offer A/C" and lodged at any time after the issue of this Prospectus and received on or before the Closing Date at the Company's share registry by post.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

3.3 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. In that case, Shares not accepted by the Closing Date will form part of the Shortfall that will be taken up by the Underwriter.

3.4 Enquiries concerning your Entitlement

If you have any queries concerning your Entitlement, how to participate in the Offer, or how to complete your Entitlement and Acceptance Form, please the Company Secretary, David McArthur, on 08 9315 3511.

4 Rights and liabilities attaching to Shares

The rights attaching to Shares are set out in the Constitution and, in certain circumstances, are regulated by the Corporations Act, the Listing Rules and general law. The Constitution may be inspected free of charge during normal business hours at the registered office of Company at 38 Guthrie Street, Osborne Park WA 6017.

The following is a summary of the principal rights of the holders of Shares. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's members.

(a) General meeting and notices

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of the Company every holder of fully paid ordinary shares present in person or by an attorney, representative or proxy has one vote on a show of hands (unless a member has appointed 2 proxies) and one vote per share on a poll.

A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of the vote equal to the proportion which the amount paid bears to the total issue price of the share.

Where there are two or more joint holders of a share and more than one of them is present at a meeting and tenders a vote in respect of the share, the Company will count only the vote cast by the member whose name appears first in the Company's register of members.

(c) Issue of further shares

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, the Listing Rules, the Corporations Act and any rights for the time being attached to the shares in any special class of those shares.

(d) Variation of rights

Unless otherwise provided by the Constitution or by the terms of issue of a class of shares, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(e) Transfer of shares

Subject to the Constitution, the Corporations Act and the Listing Rules, ordinary shares are freely transferable.

The shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by any other method of transferring or dealing with shares introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by either the Directors or ASX that is permitted by the Corporations Act.

The Directors may decline to register a transfer of shares (other than a proper transfer in accordance with the ASX Settlement Operating Rules) where permitted to do so under the Listing Rules. If the Directors decline to register a transfer, the Company must, after the transfer is delivered to the Company, give the party lodging the transfer written notice in accordance with the Listing Rules of the refusal. The Directors must decline to register a transfer of shares when required by law, by the Listing Rules or by the ASX Settlement Operating Rules.

(f) Partly paid shares

The Directors may, subject to compliance with the Constitution, the Corporations Act and the Listing Rules, issue partly paid shares upon which there are outstanding amounts payable. These shares will have limited rights to vote and to receive dividends.

(g) Dividends

The Directors may from time to time determine dividends to be distributed to members according to their rights and interests. The Directors may fix the time for distribution and the methods of distribution. Subject to the terms of issue of shares, the Company may pay a dividend on one class of shares to the exclusion of another class.

Each share carries the right to participate in the dividend in the same proportion that the amount for the time being paid on the share (excluding any amount paid in advance of calls) bears to the total issue price of the share.

(h) Winding up

Subject to the rights of holders of shares with special rights in a winding-up, if the Company is wound up, members will be entitled to participate in any surplus assets of the Company in proportion to the percentage of the capital paid up on their shares when the winding up begins.

(i) Dividend reinvestment and share plans

The members of the Company, in general meeting, may authorise the Directors to implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company) and any other share plans (under which any member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of fully paid shares).

(j) Directors

The Constitution states that the minimum number of Directors is three.

(k) Powers of the Board

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have power to manage the business of the Company and may exercise every right, power or capacity of the Company to the exclusion of the members (except to sell or dispose of the main undertaking of the Company).

(l) Share buy backs

Subject to the provisions of the Corporations Act and the Listing Rules, the Company may buy back shares in itself on terms and at times determined by the Directors.

(m) Capitalisation of profits

The Company may capitalise profits, reserves or other amounts available for distribution to members. Subject to the Constitution and the terms of issue of shares, members are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.

(n) Capital reduction

Subject to the Corporations Act and the Listing Rules, the Company may reduce its share capital.

5. Risk factors

The Shares offered under this Prospectus should be considered speculative because of the nature of the Company's business.

An investment in Shares is subject to numerous risks. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some of which are beyond the control of the Company, including possible loss of income and principal invested. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from the Company or any particular tax treatment. In considering an investment in Shares, investors should have regard to (among other things) the "Key Risks" listed below and the disclaimers outlined in this Prospectus.

(a) **Introduction**

The Shares offered pursuant to the Offer involve investors being exposed to risk. The Board strongly recommends that potential applicants examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for Shares pursuant to the Offer.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Board.

The risks identified in this section, or other risk factors, may have a material impact on the Company's financial performance and the market price of the Company's Shares. The following summary, which is not exhaustive, represents some of the major risk factors of which potential investors need to be aware.

(b) **Financing Risks**

The development of the Company's business depends upon the Company's ability to obtain financing of its operations, through private placement financing, debt financing, sale of assets or other means. There is no assurance that the Company will be successful in obtaining finance to satisfy its on-going capital requirements.

(c) **Intellectual Property**

The Company regards its copyright, trademarks, trade secrets, know-how and similar intellectual property as critical to its success. The Company relies on patent, trademark and copyright law and trade secret protection to protect its intellectual property rights. While the Company will use all reasonable endeavours to protect these rights, the steps that the Company takes to protect its intellectual property rights may be inadequate. The unauthorised use or disclosure of its proprietary technology and systems may have an adverse affect on the Company's operation and financial performance. Patents that may be held by the Company will, as with all patents, expire over time, such that the protection provided by those patents, will cease.

(d) **Technology**

New technologies may prove to be more commercially viable than the Company's technology. Alternative technologies could also cause competition for markets and resources or cause an adverse change in the Company's ability to enter into joint ventures and other strategic alliances.

(e) **Share Market Conditions**

The price of Shares quoted for trading by the ASX is impacted by various international and domestic factors. As the Company is listed on ASX, its Share price is subject to

these numerous influences that may reflect both the trends in the share market and the share prices of individual companies.

The factors which may create fluctuations in the share market include inflation, economic conditions, Australian and foreign trading circumstances, commodity prices, interest rates and exchange rates.

(f) **Government Policy and Regulatory Changes**

Government policies are subject to review and changes from time to time. Such changes are likely to be beyond the Company's control and may affect industry profitability.

Changes in community attitudes on matters such as taxation and competition policy may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's business plans or its rights and obligations in respect of its technology. Any such government action may also require increased capital or operating expenditures and could impact the Company's business.

The Company's markets are in Australia and overseas and so domestic and foreign changes could have impact on the Company.

(g) **Risk of international operations**

International sales and operations are subject to a number of risks, including:

- (i) potential difficulties in enforcing agreements (including joint venture agreements) and collecting receivables through foreign local systems;
- (ii) potential difficulties in protecting intellectual property;
- (iii) increases in costs for transportation and shipping; and
- (iv) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

(h) **Exchange Rate Risks**

A large proportion of the Company's revenue is derived from overseas markets and thus exposes the Company's income to exchange rate risks. A proportion of sales are denominated in United States dollars and pounds Sterling, as well as other foreign currencies. Income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar, other currencies and the Australian dollar as determined in international markets.

(i) **Economic Conditions**

Economic conditions, both domestic and global may affect the Company's performance. Factors such as currency fluctuations, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs, commodity prices and share market prices. The Company's future possible revenue and share price can be affected by these factors all of which are beyond the Company's control and the Directors' control. In addition, the Company's ability to raise additional capital, should it be required, may be affected.

(j) **Taxation**

The Company is subject to various forms of taxation, of which income tax and the goods and services tax are expected to have the most significant impact. There is an ongoing risk that changes to taxation legislation may adversely impact revenues or expenditures, and therefore the Company's financial performance.

(k) **Contractual Risks and Other Legal Risks**

All agreements entered into by the Company are subject to interpretation. There is no guarantee that the Company will be able to enforce all its rights under its agreements with third parties.

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the Company's assets, operations, financial performance and share price.

(l) **Reliance on Key Personnel and Availability**

The Company is reliant upon its Board and key employees. The loss of any of these personnel may have a materially adverse impact on the Company's business, and the Company's financial performance. There is also a shortage of qualified people and competition for key staff, particularly in Australia due to various economic factors.

(m) **Access to Capital Markets**

To finance its operations the Company may require access to capital markets. The availability and pricing of debt and equity finance is subject to general market conditions. The Company's ability to access capital markets is also dependent upon its own performance and industry specific factors.

(n) **Earnings Predictability**

The Company's revenue is determined by its success in winning and executing contracts and a number of other factors and is not necessarily certain or reliably predictable. This may affect the price of the Company's securities.

(o) **Speculative Nature of Investment**

The above list of risk factors ought not to be taken as exhaustive of the risks the Company faces or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the Company's financial performance and the value of the Shares offered under this Prospectus.

The Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares.

6. Additional information

6.1 Litigation

As at the date of this Prospectus, the Company has commenced proceedings against a former employee for breach of confidentiality as an employee and is seeking unspecified damages in relation thereto. The former employee has lodged a counter claim against the Company alleging misleading and deceptive conduct by the Company (unspecified damages) and failure to pay accrued leave (A\$ 14,265).

The Directors do not believe the claim by the former employee, if it were successful, would be material to the assets of the Company.

Other than this matter the Company is not involved in any other legal proceedings and the Directors are not aware of any other legal proceedings pending or threatened against the Company.

6.2 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules of ASX.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been repeated in this Prospectus other than that which is considered necessary to make this Prospectus complete.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

The Company will provide free of charge to any person who requests it during the period of the Offer, a copy of:

- (a) the Annual Report of the Company for the year ended 30 June 2014, being the last financial year for which an annual financial report was lodged with the ASIC in relation to the Company on 29 October 2014;
- (b) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (a) and before the lodgement of this Prospectus with the ASIC; and

- (c) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (a) and before the lodgement of this Prospectus with the ASIC.

The following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report being 29 October 2014 and before the date of issue of this Prospectus are as follows:

Date Lodged	Subject of Announcement
31/07/2015	Appendix 4C – 30 June 2015 Quarterly Report
12/05/2015	Notice of Unlisted Options Expiry & Appendix 3B–12 May 15
30/4/2015	Appendix 4(C)
24/3/2015	Results of general meeting
27/2/2015	Half year report and accounts
27/2/2015	Appendix 3(B)
18/2/2015	Dispatch notice of general meeting
10/2/2015	Appendix 3(B)
4/2/2015	\$2 million convertible note
30/1/2015	Appendix 4(C)
2/12/2014	Appendix 3(Y) Ken Gaunt
2/12/2014	Appendix 3(B)
27/11/2014	Results of AGM
31/10/2014	Appendix 4(C)
29/10/2014	Dispatch 2014 annual report.

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at Level 2, 55 Carrington Street, Nedlands, Western Australia:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents provided by the Directors to the issue of this Prospectus.

6.3 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

6.4 Determination by the ASIC

The ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

6.5 Market price of Shares

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Shares:

Highest: \$0.05 per Share on 6 May 2015 to 26 June 2015

Lowest: \$0.035 per Share on 6 July 2015 to 17 July 2015

The latest available market sale price of the Company's Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was \$0.045 per Share on 30 July 2015.

6.6 Underwriting Agreement

By an agreement between Gleneagle Securities (Aust) Pty Limited (**Underwriter**) and the Company (**Underwriting Agreement**), the Underwriter has agreed to fully underwrite the Offer (**Underwritten Amount**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter an underwriting cash fee of \$30,000 (exclusive of GST) as consideration for the underwriting obligation undertaken by the Underwriter. The Company has also agreed to pay all of the Underwriter's reasonable legal expenses incurred in respect of the Offer.

The Underwriter has appointed sub-underwriters to sub-underwrite the Offer. The underwriter must pay all fees and commissions due to sub-underwriters of the Offer.

Jorge Nigaglioni and Ken Gaunt, both Directors of the Company, have entered into agreements with the Underwriter to sub-underwrite up to \$20,545 and \$1,515,598 of the Offer respectively.

All definitions and clauses referred to in the below summary are as applied in the Underwriting Agreement.

The Company has given warranties and covenants to the Underwriter which are of the type and form that is usual in an underwriting agreement of this nature.

The obligation of the Underwriter to fully underwrite the Offer for the Underwritten Amount is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if any of the following events occurs:

- (a) (**Indices fall**): the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 20% or more or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement; or

- (b) **(Share price):** the Shares finish trading on the ASX under the ASX code of “MBO” on any ten (10) consecutive trading days with a closing price that is less than the issue price of \$0.007 per Share;
- (c) **(Prospectus):** the Company does not lodge the Prospectus on the date of lodgement of the Prospectus in accordance with the Timetable or the Prospectus or the Offer is withdrawn by the Company; or
- (d) **(Supplementary prospectus):**
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence, forms the view on reasonable grounds that a supplementary prospectus should be lodged with ASIC for any of the reasons referred to in Section 719 of the Corporations Act and the Company fails to lodge a supplementary prospectus in such form and content and within such time as the Underwriter may reasonably require; or
 - (ii) the Company lodges a supplementary prospectus without the prior written agreement of the Underwriter; or
- (e) **(Non-compliance with disclosure requirements):** it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the Underwritten Securities; or
- (f) **(Misleading Prospectus):** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of Sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive; or
- (g) **(proceedings):** ASIC, the Takeover Panel or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Offer or the Prospectus, or publicly foreshadows that it may do so;
- (h) **(Unable to Issue Securities):** the Company is prevented from issuing the Underwritten Securities within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or
- (i) **(future matters):** any statement or estimate in the Prospectus which relates to a future matter is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe;
- (j) **(Withdrawal of consent to Prospectus):** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent; or

- (k) **(No Quotation Approval):** the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX within 7 days of the date of lodgement of the Prospectus; or
- (l) **(ASIC application):** an application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn; or
- (m) **(ASIC hearing):** ASIC gives notice of its intention to hold a hearing under Section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under Section 739 of the Corporations Act; or
- (n) **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act; or
- (o) **(Authorisation):** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably; or
- (p) **(Indictable offence):** a director or senior manager of a Relevant Company is charged with an indictable offence;
- (q) **(Capital structure):** the Company alters its capital structure without the prior written consent of the Underwriter, other than:
 - (i) in accordance with the Underwriting Agreement or in connection with the Offer; or
 - (ii) the issue of Shares on exercise of the options on issue at the date of the Prospectus;
- (r) **(Suspension)** trading in Shares is suspended during any period between the Opening Date and the Settlement Date;
- (s) **(Change in management):** a material change in the senior management or in the board of directors of the Company occurs;
- (t) **(Prescribed Occurrence):** a Prescribed Occurrence (as defined in the Underwriting Agreement) occurs, other than as disclosed in the Prospectus;
- (u) **(Suspension of debt payments):** the Company suspends payment of its debts generally;
- (v) **(Event of Insolvency):** an Event of Insolvency (as defined in the Underwriting Agreement) occurs in respect of a Relevant Company;
- (w) **(Change in shareholdings):** there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (x) **(Termination Events):** any of the following events occurs:
 - (i) **(Hostilities):** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand,

Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China or any member of the European Union other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon or Israel and the Underwriter believes (on reasonable grounds) that the outbreak or escalation is likely to result in the S&P ASX 200 Index falling by the percentage contemplated by clause (a) above;

- (ii) (Default): default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
- (iii) (Incorrect or untrue representation): any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
- (iv) (Contravention of constitution or Act): a material contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (v) (Adverse change): an event occurs which gives rise to a Material Adverse Effect (as defined in the Underwriting Agreement) or any adverse change or any development including a likely Material Adverse Effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (vi) (Error in Due Diligence Results): it transpires that any of the Due Diligence Results or any part of the Verification Material (as defined in the Underwriting Agreement) was, misleading or deceptive, materially false or that there was a material omission from them;
- (vii) (Significant change): a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (viii) (Public statements): without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
- (ix) (Misleading information): any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (x) (Official Quotation qualified): the official quotation is qualified;
- (xi) (Change in Act or policy): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement;

- (xii) (Timetable): there is a delay in any specified date in the Timetable which is greater than 2 Business Days;
- (xiii) (Force Majeure): a Force Majeure (as defined in the Underwriting Agreement) affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (xiv) (Certain resolutions passed): a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xv) (Breach of Material Contracts): any of the material contracts is terminated or substantially modified or a fact, matter or circumstance occurs which may have a material adverse effect on the Company's ability or willingness to complete, satisfy any conditions precedent or otherwise perform its obligations in connection with any Contracts; or
- (xvi) (business): except as previously disclosed to the ASX or in writing to the Underwriter, any of the Relevant Companies:
 - (A) disposes or agrees to dispose of the whole or a substantial part of its business or property; or
 - (B) ceases, or threatens to cease, carrying on its business,
 in either case, without the prior written consent of the Underwriter, not to be unreasonably withheld.

Material Adverse Effect

The events listed in paragraph (x) above do not entitle the Underwriter to exercise its termination rights under the Underwriting Agreement unless, in the reasonable opinion of the Underwriter reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect or could give rise to a liability of the Underwriter under the Corporations Act.

6.7 Directors' Interest and Remuneration

As at the date of this Prospectus, the relevant interest of each Director in securities and their respective Entitlement is as follows:

Director	Shares	Options	Performance Rights	Entitlement
Sir Tim McClement	1,000,000	2,000,000	-	N/A
Mr Ken Gaunt	49,082,161	29,670,487	-	N/A
Mr Jorge Nigaglioni ¹	636,415	-	5,000,000	636,415

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors'

remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Current (proposed)	2014	2013
Sir Tim McClement	A\$130,000	A\$130,000	A\$67,000
Mr Ken Gaunt	A\$240,000	A\$240,000	A\$240,000
Mr Jorge Nigaglioni	A\$180,000	A\$180,000	A\$180,000

6.8 Directors' interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

6.9 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

Gleneagle Securities (Aust) Pty Limited acts as underwriter to the Offer in respect of this Prospectus. The Underwriter will be paid \$30,000 (excluding GST) for services in relation to this Prospectus. In the two years immediately preceding the date of this Prospectus, Gleneagle Securities (Aust) Pty Limited has been paid no fees by the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. In the two years preceding the date of this Prospectus, Steinepreis Paganin has been paid fees totalling \$45,081 (excluding GST and disbursements) for legal services provided to the Company.

6.10 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Gleneagle Securities (Aust) Pty Limited has given its written consent to being named as underwriter of the Offer in this Prospectus and the Nominee, and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC. Gleneagle Securities (Aust) Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as the Underwriter and the Nominee. Gleneagle Securities (Aust) Pty Limited has not authorised or caused the issue of this Prospectus.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

6.11 Expenses of Offer

In the event that all Shares offered under this Prospectus are issued, the total expenses of the Offer are estimated to be approximately \$80,270 and are expected to be applied towards the items set out in the table below:

Expenses	\$
ASIC	2,290
ASX fees	8,480
Underwriting Fees	30,000
Printing, mailing and other expenses	15,000
Underwriting legal fees/prospectus legal fees	24,500
Total	80,270

6.12 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9315 3511 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.mobilarm.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

6.13 Taxation Implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

6.14 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

6.15 Major activities and financial information

The Company's continuous disclosure notices (i.e. ASX announcements) since 28 October 2014, being the date the Annual Report was lodged with ASX, are listed in Section 6.2.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Shareholders and potential investors review these and all other announcements prior to deciding whether or not to participate in the Offer.

6.16 CHESS

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by Computershare Investor Services Pty Limited ACN 078 279 277 and will contain the number of Shares issued to you under this Prospectus and your securityholder reference number.

A CHESS statement or Issue Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however a charge may be made for additional statements.

6.17 Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Acceptance and to administer the Applicant's security holdings in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Acceptance.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

7. Authorisation

This Prospectus is authorised by each of the Directors of the Company.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

This Prospectus is signed for and on behalf of the Company by:

Jorge Nigaglioni
Director

8. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Acceptance means a valid acceptance of Shares made pursuant to this Prospectus on an Entitlement and Acceptance Form.

AEDT means Australian Eastern Daylight Time, being the time in Melbourne, Victoria.

Announcement Date means the date of lodgement of this Prospectus with ASIC as specified in the Timetable or such other date as the Company and the Underwriter agree in writing.

Annual Report means the financial report lodged by the Company with ASIC in respect of the year ended 30 June 2014 and includes the corporate directory, chairman's report, review of activities, Shareholder information, financial report of the Company and its controlled entities for the year ended 30 June 2014, together with a Directors' report in relation to that financial year and the auditor's report for the period to 30 June 2014.

Applicant means a person who submits an Entitlement and Acceptance Form or applies for any Shortfall under the Underwriting Agreement.

Application Monies means application monies for Shares received by the Company from an Applicant.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHES means ASX Clearing House Electronic Subregistry System,

Closing Date means 5.00 pm (AWST) the date identified as such in the proposed timetable.

Company or **MBO** means Mobilarm Limited ABN 15 106 513 580

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means Corporations Act (Cth) 2001.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

Entitlement means the entitlement of Shares under the Offer as set out in Section 1.1.

Entitlement and Acceptance Form means the entitlement and acceptance form sent with this Prospectus that sets out the Entitlement of Shareholders to subscribe for Shares pursuant to the Offer.

Ineligible Shareholder means a Shareholder who is not an Eligible Shareholder.

Issuer Sponsored means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the Listing Rules of ASX.

Nominee has the meaning given in Section 1.13.

Offer means the offer in Section 1.1.

Official List means the official list of ASX.

Official Quotation means quotation on ASX.

Prospectus means this prospectus.

Record Date means 7.00 pm (Sydney time) on the date identified in the proposed timetable.

Relevant Company means the Company and each subsidiary of the Company.

Section means a section of this Prospectus.

Settlement Date means the date as defined in the Underwriting Agreement being the date specified in the Timetable or such other date as the Company and the Underwriter agree in writing.

Shareholders means a holder of Shares.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall Notice Deadline Date means the date specified in the Timetable or such other date agreed in writing between the parties as the date by which the Company must give the Underwriter written notice of the Shortfall Shares and the certificate requirement under the Underwriting Agreement.

Shortfall Offer has the meaning in Section 1.7 of this Prospectus.

Shortfall Shares means Shares not subscribed for by Eligible Shareholders under the Offer.

Timetable means the timetable approved by ASX in relation to the Offer and which is set out in this Prospectus.

Unlisted Options means the Options set out in Section 2.3 for which Official Quotation has not been sought.

Underwriter means Gleneagle Securities (Aust) Pty Limited

Underwriting Agreement means the underwriting agreement entered into between the Company and the Underwriter dated 31 July 2015 and summarised in Section 6.6 of this Prospectus.

Underwritten Securities means up to 350,085,416 Shares issued pursuant to the Underwriting Agreement.