

19th October 2009

ASX/MEDIA RELEASE

FUNDING UPDATE

Azurn International Limited (ASX: AZU) is pleased to announce that the Company has arranged up to \$5 million in additional funding to assist with its expansion plans over the next 12 months. This agreement also leaves the door open to accommodate any further increase in funding requirements if there is a revision of the Company's business plans. This announcement follows the recent appointment of Mr Angus Mackenzie as Chairman of Azurn International.

Azurn International has appointed leading Sydney based investment banking group MC Capital & Co. Pty Limited (MC Capital) as its Lead Manager and Underwriter. The agreement with MC Capital has been struck on a 12-month renewable basis with a long term focus to support any ongoing funding requirements. \$5 million is to be raised before December 2009 with MC Capital underwriting up to 25 per cent and sub-underwriting the balance. As part of the initial funding package, MC Capital will also arrange up to \$1.5 million for equipment funding and approximately \$600K draw down working capital facility during October/November 2009.

Azurn has a growing international business with an established base locally and overseas having already partnered on a number of key projects with blue chip global companies.

Azurn International's Managing Director, Ananda Rao said,

"Securing this long term funding facility will adequately facilitate the board's stated desire to grow the business from a very strong and established base. Prevailing adverse global financial conditions contributed to affecting the availability of funds to grow the business and resulted in minor disruptions to a number of existing business arrangements."

"With the funding secured, it provides the opportunity to restructure the Company for growth. All efforts now to be placed on the implementation of appropriate programs to support corporate governance processes and to simplify the structure to support and grow the three existing lines of business: Digital Publishing Solutions, Education Enablement and Enterprise Collaboration."

"Despite the slowdown in world economy that has affected our partners the company has managed to keep the global partnering arrangements in place. It has however, in the short term, slowed down revenue generation due to delays in project investments. The Projects experiencing delays in recent weeks will now be accelerated with appropriate funding in place. As a result, the Company is revising its forecasts and parameters as soon as it is practical will advise the market."

In commenting on the newly formed business relationship with MC Capital, Azurn's Managing Director, Ananda Rao said,

"The support we can expect from an investment banking group with the calibre of MC Capital is not just limited to funding. It will allow Azurn International to address M & A opportunities as they present themselves in the months ahead. As global conditions improve and the recovery underway in Australia and in international markets gathers more pace and capital markets return to more optimal operating conditions, Azurn will be better placed to benefit."



For more information please visit the Company's website at: www.azurn.com.au

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About Azurn International Limited

Azurn International is a global provider of business solutions that boost efficiency in workplace, customer service and educational environments. The company's core capabilities lie in communication and online publishing technologies. The Company's publishing technology enables large volumes of printed material to be converted to XML for online distribution and access. The company's patented communication technologies seamlessly combine a wide range of voice, data and video sources that enable real time multi-party interactivity.

Whilst Azurn has many projects underway, two large projects include:

LARGE SCALE EDUCATION ENABLEMENT:

Azurn is working on a project with Hughes Communications to connect 30,000 points of presence in India – every point of presence can cater between 10 to 100 students. Interactively, the solution can deliver any academic course and corporate training classes from anywhere in the world to this connected community. The relationship we have in India with Hughes will be extended to cover several other countries. Through a revenue share model, Azurn annually could expect to earn approximately \$100 per student seat from within each point of presence.

CONNECTING PEOPLE-AT-WORK:

Azurn has established revenue share reseller relationships in UK/Europe, India and Australia. Azurn is now setting up facilities that will allow in excess of 900 people-at-work (in groups of three or more across several simultaneous sessions) to "interact" with each other at any given time within the SME markets of these geographies. Easy to provide and convenient to use, these interactions will enable people at work, within the SME sector to chat, talk and share information in real time using whatever devices they already have. Today, such high end interactions (quality of service guaranteed) delivered through carriers cost the end-user AU\$0.50+ per person, per minute.

Headquartered in Melbourne, Australia, Azurn has a direct presence in five markets – Australia, Singapore, India, USA and the UK, and operates world-class development centres in Bangalore, Pune and Coimbatore in India. The Company has over 370 employees worldwide.

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