



DataMotion Asia Pacific Limited
ABN 44 009 148 529



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23 October 2009

ELS035.2010

The Manager
Company Announcements Office
Australian Securities Exchange
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Via Electronic Lodgement

FULLY UNDERWRITTEN RIGHTS ISSUE PROSPECTUS

As foreshadowed in the announcement to ASX earlier today, please find attached DataMotion Asia Pacific Limited's rights issue prospectus dated 23 October 2009 (28 pages) as lodged with ASIC earlier today.

Yours faithfully

Ronald Moir
Managing Director
DATAMOTION ASIA PACIFIC LIMITED

attach: Prospectus (28 pages)





DATA MOTION™
ASIA PACIFIC LIMITED
ABN 44 009 148 529

PROSPECTUS

for a fully underwritten non-renounceable Rights Issue of two (2) New Shares and one (1) free Attaching Option for every three (3) Shares held, at a price of \$0.0015 per New Share to raise approximately \$1,138,489 before costs.

The Rights Issue closes at 5.00pm (AWST) on 01 December 2009.

UNDERWRITER

Cunningham Peterson Sharbanee Securities Pty Ltd
ABN 73 088 055 636

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus, then you should consult your stockbroker, accountant or other professional adviser.

The New Shares and Attaching Options offered by this Prospectus should be considered as speculative.

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INVESTMENT HIGHLIGHTS

- the DataMotion Asia Pacific DataCentre is to be transformed into a “boutique” high-end hosting facility to capitalise on the shortage of commercial data centre space in Western Australia, and provide additional revenue streams;
- the Company is seeking a technology-based profitable acquisition target in order to leverage its existing technologies and the DataCentre;
- the Company has the exclusive licensing rights to one of the world’s leading secure email platforms for Australia, New Zealand, Singapore, Malaysia, Hong Kong, Taiwan and South Korea (Asia Pacific region);
- the Company has established beyond any doubt that email security is becoming one of the biggest single agenda items in Government agencies and Corporate organisations across the Australian nation; and
- experienced Board and team of world-class business professionals and technical specialists.

INVESTMENT RISKS

In addition to normal risks affecting any stock exchange listed equity investment, an investment in new Shares and Attaching Options is subject to risks associated with the Company’s business as set out in section 6. Each of these risks may have an adverse effect on the Company’s future financial performance and position.

SECTION 1: IMPORTANT DATES AND NOTICES

IMPORTANT DATES

announce rights issue Appendix 3B to ASX	Friday, 23 October 2009
lodge prospectus with ASIC and announce same to ASX simultaneously	Friday, 23 October 2009
send letter to shareholders & include timetable for non-renounceable rights issue	Tuesday, 27 October 2009
shares quoted ex-Entitlements	Wednesday, 28 October 2009
Record Date	Wednesday, 04 November 2009
complete dispatch of Prospectus & Entitlement and Acceptance forms - applications open	Tuesday, 10 November 2009
closing date for applications	Tuesday, 01 December 2009
Securities quoted on a deferred settlement basis	Wednesday, 02 December 2009
Holding Statements dispatched (anticipated)	Wednesday, 09 December 2009

All dates, other than the date of announcement of the rights issue and the date of lodgement of the Prospectus with ASIC, are indicative only.

DataMotion Asia Pacific Limited (“the Company”) reserves the right to amend any of the dates without prior notice in consultation with the Underwriter, but subject to compliance with the Corporations Act and the ASX Listing Rules.

IMPORTANT NOTICES

This Prospectus is dated 23 October 2009 and a copy of this Prospectus was lodged with ASIC and the ASX on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The Expiry Date of the Prospectus is 23 November 2010. No Shares or Options will be allotted or issued on the basis of this Prospectus after the Expiry Date.

The Company has applied to ASX for official quotation by ASX of the New Shares and Attaching Options offered by this Prospectus. The fact that ASX may quote the New Shares and Attaching Options is not to be taken in any way as an indication of the merits of the Company.

As this Offer is non-renounceable, the Entitlements cannot be traded and will lapse if they are not taken up in accordance with this Prospectus by the Closing Date for receipt of acceptances. Please refer to Section 4 for information on how to accept Entitlements.

This Prospectus does not take into account your investment objectives, financial situation and particular needs. Before deciding to invest in the Company, you should read and understand the entire Prospectus and in particular, in considering the Company's prospects, you should consider the risk factors that could affect the Company's performance. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek advice from your professional adviser before deciding to invest. Investing in the Company involves risks. See 'Risk Factors' in Section 6 for a discussion of certain risk factors that you should consider before deciding to invest in the Company.

disclaimer

No person is authorised to give any information or to make any representation in connection with the Rights Issue that is not contained in this Prospectus or has not been released to ASX with the authorisation of the Company. Any information or representation that is not in this Prospectus may not be relied on as having been authorised by the Company, the Directors, the Underwriter or any other person in connection with the Rights Issue.

SECTION 1: IMPORTANT DATES AND NOTICES(cont.)

Except as required by law, and only to the extent so required, no person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus.

The Application Form accompanying this Prospectus is important. Please refer to the instructions in Section 4 of this Prospectus regarding the acceptance of your Entitlement. Applications can only be submitted on a valid Application Form that is only available with this Prospectus.

entitlements and shortfall offer

Applications for New Shares and Attaching Options offered pursuant to this Prospectus can only be submitted on an original Entitlements and Acceptance Form which accompanies this Prospectus. The Entitlement and Acceptance Form sets out a person's Entitlement to participate in the Offer. An electronic copy of this Prospectus without the Entitlement and Acceptance Form will be available on the Company's website at www.datamotion.asia for information purposes only. The Company will not accept applications for New Shares and Attaching Options submitted using copies of the Entitlement and Acceptance Form.

Shareholders can also participate in the Shortfall Offer by completing the relevant section of the Entitlement and Acceptance Form as mentioned in section 4.

continuous disclosure

The Company is listed on ASX, and as such is subject to disclosure requirements under the Corporations Act and the Listing Rules. Since listing, the Company has provided ASX with information regarding its activities and that information is publicly available. This Prospectus is intended to be read in conjunction with that publicly available information. Eligible Shareholders should therefore have regard to that publicly available information before making an investment decision.

nature of Prospectus

Some words in this Prospectus have defined meanings. The definitions appear in the Glossary at the end of this Prospectus. References to dollars are to Australian dollars unless otherwise indicated.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

This Prospectus is a transaction specific prospectus issued pursuant to section 713 of the Corporations Act. 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. Please refer to Section 7 for further information concerning the nature of this Prospectus.

SECTION 2: CORPORATE DIRECTORY

DIRECTORS

Ronald G Moir
Managing Director

Mark H Popham FCPA GAICD
Executive Director

Martin JW Eade
Executive Director

COMPANY SECRETARIES

Mark H Popham FCPA GAICD
Chief Financial Officer

Vicky Oui BCom Post Grad Dip Bus MCom
Group Accountant

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 1 Westcentre
1260 Hay Street
West Perth WA 6005
AUSTRALIA

Mailing Address Private Box 1288
West Perth WA 6872
AUSTRALIA

Telephone (08) 9415 2212
Facsimile (08) 9415 2221
Email info@datamotion.asia
Website www.datamotion.asia

AUDITORS *

Grant Thornton (WA) Partnership
Chartered Accountants
Level 1, 10 Kings Park Road
West Perth WA 6005

SHARE REGISTRY *

Computershare Investor Services Pty Ltd
Level 2 Reserve Bank Building
45 St Georges Terrace
Perth WA 6000

BANKERS *

Australia & New Zealand Banking Group Limited
Cnr Hay & Outram Streets
West Perth WA 6005

SOLICITORS & CORPORATE ADVISERS *

Lavan Legal
Level 20 The Quadrant
1 William Street
Perth WA 6000

STRATEGY, FINANCIAL & TECHNOLOGY CONSULTANTS *

Deloitte
Management Solutions
Level 14 Woodside Plaza
240 St Georges Terrace
Perth WA 6000

STOCK EXCHANGE

Listed on the Australian Securities Exchange
The Home Exchange is in Perth, Western Australia

ASX CODE

DMN – Fully Paid Ordinary Shares
DMNOA – listed options exercisable at 1.0 cent exp. 06 May 13

* Denotes referred to for information purposes only. They have not been involved in the preparation of this Prospectus

SECTION 3: LETTER FROM THE BOARD

Dear Shareholder

On behalf of the Board I am pleased to present all eligible Shareholders registered at 5.00pm AWST on Wednesday 04 November 2009 with the opportunity to participate in the Company's current fully underwritten non-renounceable Rights Issue.

The Rights Issue is an offer of two (2) fully paid New Shares for every three (3) fully paid Shares held, at a price of \$0.0015 (0.15 cents) for every New Share subscribed, with one (1) free Attaching Option in the same class as those currently listed under the ASX code DMNOA for every two (2) New Shares subscribed. The options have an exercise price of \$0.01 (1 cent) and expire on 06 May 2013.

Through this Prospectus the Company is seeking to raise approximately AU\$1,138,489. After deducting associated costs, funds from the Offer will be applied to the transformation of the DataMotion Asia Pacific DataCentre into a "boutique" high-end hosting facility and the search for a profitable acquisition target which will leverage the Company's existing technologies.

Each of the Company's Directors has confirmed that it is their intention to take up their full Entitlements under the Offer.

some of the arguments in favour of your participation are:

- 1) this attractive opportunity has been deliberately structured to provide a benefit to those eligible Shareholders who decide to support the Company at this very important time;
- 2) the issue provides Shareholders with the opportunity to invest at a low entry price to participate in future upside in the Company's performance. This issue is being offered to eligible Shareholders in preference to other investors;
- 3) the Company is debt free;
- 4) the Company owns its world-class DataCentre;
- 5) there is a shortage of commercial data centre space in Western Australia;
- 6) the Company has the exclusive licensing rights to one of the world's leading secure email platforms for Australia, New Zealand, Singapore, Malaysia, Hong Kong, Taiwan and South Korea (Asia Pacific region), being the DataMotion Intelligent Information Transport (IIT) Platform; and
- 7) the Company has established beyond any doubt that email security is becoming one of the biggest single agenda items in Government agencies and Corporate organisations across the Australian nation.

Going forward, the focus and technology portfolio of the group (i.e. the Company and its wholly owned subsidiaries, Data-inCrypt® Pty Ltd and Synergy Business Solutions Australia Pty Ltd) will be as follows.

DataMotion Asia Pacific (www.datamotion.asia)

The Company maintains an intense focus on the sales and marketing of DataMotion SecureMail & the DataMotion IIT platform, and remains confident that it will become a market leader in secure email throughout the Asia Pacific region. As at the date of this Prospectus, the potential sales value of DataMotion SecureMail evaluations currently being undertaken by Australian and New Zealand corporate and Government organisations is in excess of AU\$1,000,000 (ex GST).

Notwithstanding the Company's best efforts in marketing, the restrictions in capital expenditure brought about by the current global financial situation have led to the significant lengthening of the sales cycle within the large organisations that the Company has been dealing with. A recent Gartner, Inc. (www.gartner.com) survey*, undertaken worldwide, showed that 42% of CIOs (Chief Information Officers) cut their IT (information technology) budgets in the first quarter of calendar year 2009, resulting in head count reductions and significant delays in capital expenditure throughout all industry sectors. This has meant that sales revenues from the Company's primary target market are taking longer to be realised than originally anticipated, and the timeframe for the lifting of spending restrictions cannot accurately be estimated at this point in time.

* source: <http://www.gartner.com/it/page.jsp?id=1009412>

SECTION 3: LETTER FROM THE BOARD (cont.)

Data-inCrypt® (www.data-incrypt.com)

...delivers fast-reliable-secure online data backup & recovery worldwide, enabling organisations to store critical data offsite, eliminating the capital cost, ongoing maintenance and human error in backing up to tape, CD & DVD, Zip drive, flash memory, removable hard disk etc. Data-inCrypt® is a corporate partner of Surf Life Saving Australia and continues to offer its online backup & recovery service to businesses nationwide including medical practices, accounting firms, retail organisations, telecommunications providers and transport organisations.

Synergy Business Solutions Australia (www.synergyaustralia.com)

...operates the DataMotion Asia Pacific DataCentre.

To capitalise on the acute shortage of commercial data centre space in Western Australia, plans are underway to transform the DataMotion Asia Pacific DataCentre into a high-end "boutique" co-location facility, which will cater for mission-critical information technology infrastructure for a select client base. Synergy Business Solutions Australia is currently negotiating with a number of organisations including two major telecommunications providers in this regard.

Subject to further investigation, the transformation plans include the potential near-doubling of the DataCentre's physical size, in line with future growth provisions made at the time of its construction. Such an expansion will enable the DataCentre to host some 50-60 racks of equipment, depending on size & client requirements. Also being considered is the possibility of entering into a strategic alliance with a system integrator and / or telecommunications provider for the provision of managed / hosted IT services.

A portion of the capital to be raised from this Rights Issue will be used to fund this expansion and transformation. The newly configured DataCentre will provide Synergy Business Solutions Australia with significant ongoing monthly revenue (at rates currently being finalised and subject to non-disclosure agreements) whilst allowing the group to retain use of the DataCentre for its internal infrastructure without compromising security and integrity.

profitable acquisition

The working capital raised from the Rights Issue will be partly used to fund the search for a profitable technology-based acquisition target which will expand the Company's portfolio of technology products whilst also leveraging its existing technologies and DataCentre. The Board is still finalising its selection criteria for such an acquisition target, however it is likely that an established, profitable IT services Company with a blue-chip client base and clear opportunities for growth & expansion will be the primary target.

the offer

I recommend that you read this Prospectus carefully. Details relating to your Entitlement under the Offer are set out in the Entitlement and Acceptance Form accompanying this Prospectus. Shareholders are also offered the opportunity to participate in the Shortfall Offer of any New Shares and Attaching Options by completing the relevant section of the Entitlement and Acceptance Form.

On behalf of the Board I recommend the Offer to you.

Yours sincerely



Ronald Moir
Managing Director
DataMotion Asia Pacific Limited

SECTION 4: DETAILS OF THE OFFER

4.1 company overview

DataMotion Asia Pacific Limited is an Internet security, systems and services group based in Perth, Western Australia. The group is focused on generating transaction, storage and licensing revenues through its world-class DataCentre, DataMotion SecureMail and Data-inCrypt® online data backup & recovery.

4.2 Directors' details

Ronald G Moir, Managing Director

term of office: Managing Director of DataMotion Asia Pacific Limited since May 2001.
skills and experience: more than 30 years corporate experience having established the highly successful Haiir International group of companies followed by corporate positions at Video Ezy and Cable Beach Club.

Mark H Popham FCPA GAICD, **Executive Director (CFO & Company Secretary)**

term of office: Executive Director of DataMotion Asia Pacific Limited since July 2003.
skills and experience: extensive professional experience in banking, investment, accounting and corporate management. Mark has held senior positions in accounting firms Geers & Pusey Partners and RSM Bird Cameron.

Martin JW Eade, Executive Director (Chief Technical Officer (CTO))

term of office: Executive Director of DataMotion Asia Pacific Limited since April 2004.
skills and experience: previously Network Manager at Police & Nurses Credit Society before joining the Group to lead the team who designed, constructed and successfully commissioned the DataCentre.

4.3 the issue

This Prospectus offers a non-renounceable pro-rata entitlements issue to Shareholders on the basis of two (2) fully paid New Shares for every three (3) fully paid Shares held, at a price of \$0.0015 (0.15 cents) for every New Share subscribed, with one (1) free Attaching Option in the same class as those currently listed under the ASX code DMNOA for every two (2) New Shares subscribed. The options have an exercise price of \$0.01 (1 cent) and expire on 06 May 2013.

The Company currently has 1,138,489,814 Shares on issue and has granted 690,877,991 ASX code DMNOA Options (exercise price \$0.01 and expire 06 May 2013), all of which are currently exercisable. There are also 107,500,000 unlisted employee & consultant incentive scheme options. To be entitled to participate in the Rights Issue, the option holders must first exercise their Options in accordance with the terms of those Options and must do so prior to the Record Date. In the event that all option holders exercise their Options, the Company will have on issue 1,936,867,805 Shares. If the Rights Issue is then fully subscribed, this will result in the issue of 1,291,245,203 New Shares and 645,622,601 Attaching Options (in each case disregarding any rounding up of fractional entitlements) and the amount raised will be \$1,936,867.

In the event that no option holders exercise their Options prior to the Record Date, Shareholders holding 1,138,489,814 Shares will be entitled to participate in the Rights Issue pursuant to this Prospectus, which if fully subscribed will result in the issue of 758,993,210 New Shares and 379,496,605 Attaching Options and the amount raised will be \$1,138,489.

4.4 underwriting

The Issue is fully underwritten by Cunningham Peterson Sharbanee Securities Pty Ltd. Under the terms of the Underwriting Agreement, the Rights Issue will be fully sub-underwritten by Intercorp Pty Ltd. A summary of the Underwriting Agreement is set out in Section 7.7 of the Prospectus.

SECTION 4: DETAILS OF THE OFFER (cont.)

4.5 Entitlement to Rights Issue

Shareholders who are on the Company's Share Register at 5:00pm (AWST) on the Record Date, being 04 November 2009, will receive Rights to acquire two (2) New Shares and one (1) Attaching Option for every three (3) Shares held, at an issue price of \$0.0015 (0.15 cents) per New Share. Rights are non-renounceable, which means that the Entitlements cannot be traded and will lapse if they are not taken up in accordance with this Prospectus by the closing date for receipt of acceptances.

Fractional entitlements will be rounded up to the nearest whole number of New Shares and Attaching Options. If the Company considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements.

An Application Form setting out your Entitlement to New Shares and Attaching Options accompanies this Prospectus.

4.6 minimum subscription

There is no minimum subscription under the Rights Issue.

4.7 use of proceeds

The Company expects to raise approximately \$1,138,489 under the Rights Issue before Rights Issue costs and will use the proceeds as set out in Section 5.1.

4.8 Allotment and Application Money

All Eligible Shareholders who accept the Rights Issue will receive their Entitlement in full.

New Shares and Attaching Options will be issued only after all Application Money has been received and ASX has granted permission for the New Shares and Attaching Options to be quoted. It is expected that New Shares and Attaching Options will be issued on 09 December 2009.

All Application Money received before New Shares and Attaching Options are issued will be held in a special purpose account. After Application Money is refunded (if required) and New Shares and Attaching Options are issued to Applicants, the balance of funds in the account plus accrued interest will be received by the Company. If the New Shares and Attaching Options are not quoted by ASX within three months after the date of this Prospectus, the Company will refund all Application Money in full without interest.

4.9 applying for Additional New Shares and Attaching Options

Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Shares and Attaching Options regardless of the size of their present holding.

If more Additional New Shares and Attaching Options are applied for than are available from the quantity of New Shares and Attaching Options not taken up under the Rights Issue, those applications will be scaled back in a manner determined by the Company and the underwriter in their absolute discretion. Excess Application Money will be refunded without interest.

Entitlements not taken up become available as Additional New Shares and Attaching Options. It is possible that there will be few or no Additional New Shares and Attaching Options available for issue. It is an express term of the Rights Issue that applicants for Additional New Shares and Attaching Options will be bound to accept a lesser number of Additional New Shares and Attaching Options allocated to them than applied for, if a lesser number is allocated to them, excess Application Money will be refunded without interest.

SECTION 4: DETAILS OF THE OFFER (cont.)

4.10 opening and closing dates

The Offer will open for receipt of acceptances on Tuesday 10 November 2009 and close at 5.00pm (AWST) on Tuesday 01 December 2009 (unless extended). Completed Entitlement and Acceptance Forms must be received by the Company at:

DataMotion Asia Pacific Limited
Private Box 1288
West Perth WA 6872
AUSTRALIA

by the Closing Date, together with a cheque or bank draft in Australian dollars made payable to "DataMotion Asia Pacific Limited – Rights Issue" for the total application monies.

4.11 Rights trading

The rights are non-renounceable. This means that eligible shareholders cannot trade or sell their Entitlements. Any Entitlements not taken up in accordance with the Offer will lapse and have no value.

4.12 how to accept the offer

a) *if you wish to take up all of your Entitlement*

Please complete the Entitlement and Acceptance Form, which accompanies this Prospectus, in accordance with the instructions contained on the form. Forward your completed Entitlement and Acceptance Form, together with your cheque for the amount shown to reach the Company by 5.00pm (WST) on Tuesday 01 December 2009 or such later date as the Company advises.

b) *if you wish to take up part of your Entitlements*

Please complete the Entitlement and Acceptance Form, which accompanies this Prospectus, by inserting the number of New Shares which you wish to accept (being less than as specified on the Entitlement and Acceptance Form).

You will need to ensure that the completed Entitlement and Acceptance Form, together with your cheque for the application monies reaches the Company no later than 5:00pm (WST) on Tuesday 01 December 2009 or such later date as the Company advises.

c) *Entitlements not taken up*

If you decide not to accept all or part of your Entitlement by taking no action, then your Entitlement will lapse.

If you do not wish to take up any part of your Entitlement you are not required to take any action.

d) *Lodgment and Payment*

Completed Entitlement and Acceptance Forms and cheques should be made payable to "DataMotion Asia Pacific Limited – Rights Issue" and crossed "Not Negotiable" and forwarded to:

DataMotion Asia Pacific Limited
Private Box 1288
West Perth WA 6872
AUSTRALIA

by 5.00pm (WST) on the Closing Date.

SECTION 4: DETAILS OF THE OFFER (cont.)

4.13 treatment of overseas Shareholders

This Prospectus and accompanying Entitlement and Acceptance Form do not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

No action has been taken to register or qualify the New Shares, or to otherwise permit an offering of New Shares outside Australia and New Zealand. The Rights Issue in this Prospectus is not being extended to Ineligible Shareholders having regard to:

- the cost of complying with legal and regulatory requirements outside Australia and New Zealand;
- the small number of Ineligible Shareholders; and
- the small number and value of New Shares which could be offered to Ineligible Shareholders.

Distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons who come into possession of this document outside Australia and New Zealand should seek advice on and observe any such restrictions. A failure to comply with these restrictions may constitute a violation of applicable securities laws.

Recipients may not send or otherwise distribute this Prospectus or the Application Form to any person outside Australia (other than to Eligible Shareholders).

New Zealand securities law requirements

The Rights Issue contained in this Prospectus is offered to Eligible Shareholders with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

United States

The New Shares and Attaching Options have not been and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, a US person, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws.

This Prospectus is neither an offer to sell nor a solicitation of an offer to buy securities as those terms are defined under the US Securities Act. The Rights Issue is not being made to US persons or persons in the United States.

This Prospectus and the accompanying Acceptance Form will not be sent by the Company or its agents to any Shareholder in the United States or to any US person.

4.14 Rights attaching to New Shares

From issue, the New Shares issued under this Prospectus will rank equally in all respects with existing Shares. Summaries of the important rights attaching to Shares as set out in the Company's Constitution are contained in Section 7.3 of this Prospectus.

4.15 Rights of Attaching Options

From issue, the Attaching Options issued under this Prospectus will rank equally in all respects with existing ASX code DMNOA Options. Summaries of the important terms attaching to the Attaching Options are contained in Section 7.4 of this Prospectus.

4.16 no prospective financial forecasts

The Company specialises in leading edge technologies. Given the speculative nature of this industry, there are significant uncertainties associated with forecasting future revenue. On this basis, the Directors believe that reliable forecasts cannot be prepared and accordingly have not included forecasts in this Prospectus.

SECTION 4: DETAILS OF THE OFFER (cont.)

4.17 taxation implications

The Directors do not consider that it is appropriate to give potential applicants advice regarding the taxation consequences of applying for New Shares and Attaching Options under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of potential applicants. The Company, its advisers and its officers do not accept any responsibility or liability for any taxation consequences to potential applicants. Potential applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

4.18 summary only

The information set out in this section 4 provides a summary of the information contained in the Prospectus. Applicants should read the Prospectus in its entirety prior to making a decision to accept the Rights Issue. If you have any questions about investing in the Company, please contact your stockbroker, accountant or individual financial adviser.

4.19 enquiries

Any questions concerning the Offer should be directed to:

Mr Ronald Moir
Managing Director
DataMotion Asia Pacific Limited

Telephone	+61 (0)8 9415 2212
Facsimile	+61 (0)8 9415 2221
Email	info@datamotion.asia
Website	www.datamotion.asia

SECTION 5: PURPOSES AND EFFECT OF THE OFFER

5.1 purpose of the offer

The purpose of the Offer is to raise approximately \$1,138,489 (before expenses). The proceeds of the Offer are planned to be used in accordance with the table outlined below:

proposed use	amount
Expansion of the DataMotion Asia Pacific DataCentre	250,000
General working capital, including - sales & marketing of DataMotion SecureMail in Australia and the Asia Pacific - the search for a profitable technology-based acquisition target	753,489
Expenses of the Offer (legal, printing, postage, ASIC, ASX, Computershare & underwriting fees)	135,000
Total proceeds of the offer	\$1,138,489

5.2 effect of the offer

The principal effects of the Offer will be to:

- increase the Company's cash reserves by approximately \$1,003,489 after taking into account the costs of the Rights Issue;
- provide the Company with additional capital for the purposes referred to in section 5.1; and
- increase the total number of issued Shares and listed Options (refer section 5.3).

5.3 effect of the Rights Issue on capital structure

The tables below set out the effect on the Company's capital structure if no existing Options are exercised and the Offer is fully subscribed.

ordinary Shares	number	% equity
existing Shares	1,138,489,814	60
New Shares issued under Rights Issue	758,993,210	40
Totals	1,897,483,024	100

Options	number
Unlisted Employee Option Incentive Scheme options exercisable at 2.5 cents on or before 8 December 2010	10,000,000
Unlisted Consultant Option Incentive Scheme options exercisable at 2.5 cents on or before 10 December 2012	5,000,000
Unlisted Employee Option Incentive Scheme options exercisable at 2.5 cents on or before 28 May 2013	2,500,000
Unlisted Employee Option Incentive Scheme options exercisable at 2.5 cents on or before 28 May 2013	2,500,000
Unlisted Consultant Option Incentive Scheme options exercisable at 2.5 cents on or before 3 July 2013	5,000,000
Unlisted Employee Option Incentive Scheme options exercisable at 2.5 cents on or before 7 December 2013	70,000,000
Unlisted Consultant Option Incentive Scheme options exercisable at 2.5 cents on or before 11 December 2013	10,000,000
Unlisted Employee Option Incentive Scheme options exercisable at 2.5 cents on or before 18 August 2014	2,500,000
Listed Options (class DMNOA) exercisable at 1 cent on or before 06 May 2013	690,877,991
Attaching Options to be issued under Rights Issue exercisable at 1 cent on or before 06 May 2013	379,496,605
Total options on issue at completion of the Offer	1,177,874,596

SECTION 5: PURPOSES AND EFFECT OF THE OFFER (cont.)

5.4 consolidated balance sheet

Set out below is a pro forma balance sheet of the Company after taking account of the Offer and the share placement completed by the Company on 21 October 2009. It is based on the unaudited balance sheet of the Company as at 30 September 2009. The pro forma balance sheet illustrates the effect of the Offer as if the issue of New Shares and Attaching Options under this Prospectus had occurred on 31 October 2009, based on the following assumptions:

- a) the issue of 139,803,019 Shares at \$0.0015 per Share pursuant to the share placement completed on 21 October 2009;
- b) the Company issues 758,993,210 shares at \$0.0015 per New Share pursuant to this Prospectus, raising proceeds of approximately \$1,138,489;
- c) estimated costs of the Offer of \$135,000 have been recognised directly against Issued capital, as a reduction of the proceeds of the Offer; and
- d) the net cash adjustment to the pro forma statement of financial position is therefore an increase of \$1,213,193.

	30 Sep 09 (unaudited) \$	Share Placement 21 Oct 09 \$	Rights Issue Proceeds \$	31 Oct 09 (Pro forma) \$
Current Assets				
Cash and cash equivalents	290,331	209,704	1,003,489	1,503,524
Trade and other receivables	51,805			51,805
Available for sale financial assets	13			13
Other current assets	15,835			15,835
Total Current Assets	357,984	209,704	1,003,489	1,571,177
Non-Current Assets				
Property, plant & equipment	197,738			197,738
Intangible assets	95,953			95,953
Total Non-Current Assets	293,691			293,691
Total Assets	651,675	209,704	1,003,489	1,864,868
Current Liabilities				
Trade and other payables	185,375			185,375
Provisions	38,557			38,557
Total Current Liabilities	223,932			223,932
Non-Current Liabilities				
Provisions	11,457			11,457
Total Non-Current Liabilities	11,457			11,457
Total Liabilities	235,389			235,389
Net Assets	416,286	209,704	1,003,489	1,629,479
Equity				
Issued capital	36,911,527	209,704	1,003,489	38,124,720
Accumulated losses	(37,669,574)			(37,669,574)
Reserves	1,174,333			1,174,333
Total Equity	416,286	209,704	1,003,489	1,629,479

SECTION 5: PURPOSES AND EFFECT OF THE OFFER (cont.)

5.5 costs of the offer

It is estimated that approximately \$135,000 will be payable by the Company in respect of legal and other professional fees, printing & postage costs, ASIC and ASX fees, Underwriting Fees and other costs arising from this Prospectus and the Offer.

5.6 market price of Fully Paid Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the 3 months immediately preceding the date of lodgment of this Prospectus with the ASIC and the respective dates of those sales were:

Lowest: 0.3 cents per fully paid Share most recently on 22 October 2009.

Highest: 0.5 cents per fully paid Share most recently on 09 September 2009.

The latest available closing sale price of the Company's Shares on ASX prior to the lodgment of this Prospectus with the ASIC was 0.3 cents per Share on 22 October 2009.

SECTION 6: RISKS

6.1 introduction

The New Shares and Attaching Options offered under this Prospectus are considered speculative, and involve investors being exposed to risk. The Directors strongly recommend potential applicants examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for New Shares and Attaching Options pursuant to this Prospectus.

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 Directors.

The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Company's Shares.

The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

6.2 specific risks

a) *key personnel*

The prospects of the Company depend in part on intellectual property, experience and business acumen of a small number of key personnel at this time. The loss of one or more key personnel without replacement by persons of similar skill may have an adverse effect on the business. To mitigate this risk, the Company has secured key personnel to service and consultancy agreements.

b) *regulatory risks*

The relevant government legislations and policies as well as their interpretation and administration can change from time to time. Such changes may affect some or all of the operations of the Company.

6.3 general risks

a) *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, commodity prices, interest rates and exchange rates.

The Attaching Options to be issued carry no assurance about the Company's share price at the time that the holder may wish to exercise those options or immediately preceding the date those options expire.

b) *economic conditions*

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and stock market processes. The Company's operations and share price can be affected by these factors, which are beyond the control of the Company and its Directors.

c) *competition*

There can be no assurance that the Company will be able to compete successfully against its current and future competitors. This may have an adverse effect on the financial performance and / or financial position of the Company.

SECTION 6: RISKS (cont.)

6.3 general risks (cont.)

d) *Intellectual Property*

The Company can not be assured that every person who gains or gained access to confidential information of the Company will maintain its confidentiality or that the Company will have an adequate remedy for breach of confidentiality agreements. If this event occurs, it may have an adverse effect on the financial performance and / or financial position of the Company.

e) *Government policy or legislation*

The Company may be adversely affected by changes in government policy or legislation. These changes may require the Company to hold more capital or incur other costs and these events may have an adverse effect on the financial performance and / or financial position of the Company.

f) *Global Security Environment*

Outbreak of hostilities or a material escalation of hostilities including declaration of war in major countries of the world or terrorist acts perpetrated on any major countries or any diplomatic, military, commercial or political establishment of any major countries anywhere in the world may affect the global economic and commercial environment and in turn affect the Company's future revenues, operating costs and share prices.

g) *liquidity*

There is no guarantee that at the time a holder of Shares or Options wishes to sell those securities that there will be a buyer willing to pay a price acceptable to the seller or at all.

h) *insurance*

The Company maintains insurance within the ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of the activities being conducted. The occurrence of an event not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

SECTION 7: ADDITIONAL INFORMATION

7.1 nature of the prospectus

This Prospectus is issued under section 713 of the Corporations Act which allows the issue of a Prospectus in relation to offers of securities where those securities are of a class which has been quoted for twelve months before the date of that Prospectus.

7.2 ASX listing

The Company participates in CHESS and will dispatch holding statements in lieu of share and option certificates that set out the number of New Shares and Attaching Options issued to each successful Applicant under this prospectus.

It is the responsibility of Applicants to determine their allocation before trading in the New Shares and Attaching Options. Applicants who sell New Shares and Attaching Options before they receive their statement do so at their own risk.

7.3 rights attaching to New Shares

The rights attaching to ownership of Shares (including New Shares) are:

- a) described in the Constitution; and
- b) regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the key provisions in the Constitution and the principal rights of shareholders as set out in the Constitution. This summary is not exhaustive, nor does it constitute a definitive statement of the rights and liabilities of shareholders.

a) *general meetings*

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

b) *voting rights*

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- ii) on a show of hands, every person present who is a Shareholder or a proxy or representative of a Shareholder has one vote in respect of each Share held by him; and
- iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

c) *dividend rights*

The Directors may from time to time declare a dividend to be paid to Shareholders entitled to the dividend. The dividend shall (subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividends) be payable on all shares in accordance with the Corporations Act. The Directors may from time to time pay to the Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company such amounts as they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

SECTION 7: ADDITIONAL INFORMATION (cont.)

7.3 rights attaching to New Shares (cont.)

d) *winding-up*

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, shares classified by ASX as restricted securities and which are subject to escrow restrictions at the time of the commencement of the winding up shall rank in priority after all other shares.

e) *transfer of shares*

Generally, Shares in the Company are freely transferable. Subject to formal requirements, a transfer will be registered by the Company if it does not result in a contravention of or failure to observe the provisions of a law of Australia and the transfer does not breach the Corporations Act and the ASX Listing Rules.

f) *variation of rights*

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

7.4 rights attaching to Attaching Options

The rights attaching to Attaching Options are regulated by the Constitution, the Corporations Act, the Listing Rules and the general law.

The following is a summary of the key terms of the Attaching Options which are in the same class as existing listed ASX code DMNOA options:

a) *exercise price*

The exercise price is \$0.01 (1 cent) per Attaching Option.

b) *entitlement*

Each Attaching Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.

c) *new option period*

The Attaching Options will expire at 5.00pm (WST) on 06 May 2013. Subject to clause (g), Attaching Options may be exercised at any time prior to the expiry date and Attaching Options not so exercised shall automatically expire on the expiry date.

d) *ranking of share allotted on exercise of new option*

Each Share allotted as a result of the exercise of any Attaching Option will rank in all respects *pari passu* with the existing Shares in the capital of the Company on issue at the date of allotment.

e) *voting*

A registered owner of an Attaching Option will not be entitled to attend or vote at any meeting of the members of the Company unless they are also a member of the Company.

SECTION 7: ADDITIONAL INFORMATION (cont.)

7.4 rights attaching to Attaching Options (cont.)

f) transfer of an Attaching Option

Attaching Options are transferable at any time prior to the expiry date.

g) method of exercise of an Attaching Option

- i) The Company will provide a notice that is to be completed when exercising the Attaching Options. Attaching Options may be exercised by completing the notice and forwarding the same to the Company Secretary to be received prior to the expiry date accompanied by payment in full for the relevant number of shares being subscribed for.
- ii) Within 14 days from the date of exercise of Attaching Options the Company shall issue that number of Shares in the capital of the Company subscribed for.
- iii) The Company will after issue and allotment of Shares pursuant to the exercise of an Attaching Option, apply to the ASX for official quotation of all such Shares, in accordance with the Corporations Act and the ASX Listing Rules.
- iv) The Company will generally comply with the requirements of the ASX Listing Rules in relation to the timetables imposed when quoted options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the options and the timetable outlined in the ASX Listing Rules, the timetable outlined in the ASX Listing Rules shall apply.

h) ASX quotation

The Company will, in accordance with listing rule 2.8, make application to have the Attaching Options listed for Official Quotation in the same class as existing listed options under ASX code DMNOA.

i) reconstruction

In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the Attaching Options will be reconstructed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

j) participation in share issues

There are no participating rights or entitlements inherent in the Attaching Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the options are exercised.

k) no change of new options' exercise price or number of underlying shares

There are no rights to change the exercise price of the Attaching Options or the number of underlying Shares if there is a bonus issue to holders of Shares. If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Attaching Option exercise price shall be reduced according to the formula specified in the ASX Listing Rules.

7.5 alteration of constitution

The Constitution can only be amended by a special resolution (that is, a resolution that has been passed by at least three-quarters of the votes cast by shareholders entitled to vote on the resolution). While the Company is listed, at least 28 days written notice of the special resolution must be given.

SECTION 7: ADDITIONAL INFORMATION (cont.)

7.6 taxation implications

The Directors do not consider that it is appropriate to give potential applicants advice regarding the taxation consequences of applying for New Shares and Attaching Options under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of potential applicants. The Company, its advisers and its officers do not accept any responsibility or liability for any taxation consequences to potential applicants. Potential applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

7.7 material contracts

underwriting agreement

Under an agreement dated 19 October 2009 ("Underwriting Agreement"), Cunningham Peterson Sharbanee Securities Pty Ltd ("Underwriter") has agreed to underwrite the Rights Issue. The Underwriter will sub-underwrite the Rights Issue to Intercorp Pty Ltd (see below for further details). Under the Sub-Underwriting Agreement, Intercorp Pty Ltd has agreed to sub-underwrite the amount of \$1,138,489.91.

fees

Upon completion, the Underwriter will receive an underwriting fee of 6% of the amount underwritten and 20,000,000 listed options in the Company of class DMNOA. The Underwriter will also receive payment of reasonable costs and expenses incurred by it in connection with the Rights Issue. The Company will pay any GST applicable to the fee payable to the Underwriter.

termination

The Underwriter may terminate its unperformed obligations under the Underwriting Agreement at any time by notice to the Company if one or more of the events which are summarised below occur before the Completion Date:

- a) **default** – the Company is in default of any of its obligations under the Underwriting Agreement or breaches any warranty, representation or undertaking given under the Agreement which is incapable of remedy or is not remedied by the date Valid Applications are required to be lodged, or in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the Offer;
- b) **material change** – a material and adverse change occurs in the financial position of the Company or a Subsidiary, or in the industry in which the Company or a Subsidiary operates;
- c) **contravention** – the Company contravenes any of the following, which in the reasonable opinion of the Underwriter has a material effect on the Offer:
 - i) any law, regulation, authorization, ruling, consent, judgement, order or decree of any Governmental agency;
 - ii) its Constitution or another constituent document;
 - iii) an Encumbrance or document which is binding on the Company or a Subsidiary, or an asset of the Company or a Subsidiary.
- d) **solvency** – an Insolvency Event occurs in relation to the Company or a Subsidiary;
- e) **war** – an outbreak of new hostilities or a state of war, whether declared or not, arises after the date of the Underwriting Agreement, or an escalation of hostilities already in existence occurs, involving Australia, Japan, any member of the European Community, the United States of America, any of the member states of the former Union of Soviet Socialist Republics, Indonesia, Peoples Republic of China, New Zealand, Hong Kong, Taiwan, Singapore or Malaysia, which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the Offer.
- f) **dishonest director** - a director of the Company or a Subsidiary commits or is convicted of a criminal offence or becomes a bankrupt, which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the Offer.

SECTION 7: ADDITIONAL INFORMATION (cont.)

7.7 material contracts (cont.)

representations and warranties in the Underwriting Agreement

The Company has provided certain customary representations and warranties to the Underwriter in relation to this prospectus, the Company and the Rights Issue.

Company indemnity

The Company has indemnified the Underwriter, and their respective employees, officers and directors against any claim, loss, liability, cost or expense that may be incurred or sustained by the Indemnified Person out of or in respect of the Rights Issue, this Prospectus, the Underwriting Agreement and in certain other related circumstances.

The indemnity does not extend to and is not taken to be an indemnity against any losses or claims that result from any fraud, willful misconduct, gross negligence or breach of contract by the indemnified party.

7.8 effect on control of the Company

The potential effect that the issue of Shares under the Rights Issue will have on the control of the Company is as follows:

- a) if all Shareholders take up all of their Entitlements under the Rights Issue, the percentage interest in the Shares of the Company held by Intercorp Pty Ltd ("Intercorp") (and any other major shareholders) would not change and there would not be any effect on the control of the Company;
- b) if some or all Shareholders do not take up their Entitlement under the Rights Issue, and there is therefore a Shortfall, then the Rights Issue may have an effect on the control of the Company as detailed below.

As set out above, the Rights Issue is fully underwritten by the Underwriter and sub-underwritten by Intercorp.

As Intercorp is a current Shareholder, it will be entitled to 50,202,013 New Shares under the Rights Issue in addition to acquiring any Shortfall.

To comply with the requirement to fully disclose Intercorp's potential voting power in the Company and the effect of the sub-underwriting by Intercorp, the table overleaf sets out various scenarios to indicate the effect on the Company's shareholder depending on the Shortfall (if any). The potential maximum increase in the voting power of Intercorp is set out below (100% Shortfall) and will only occur if no Shareholders take up their Entitlement under the Rights Issue. In the table overleaf it is assumed that Intercorp will take up its full Entitlement as a Shareholder under the Rights Issue.

SECTION 7: ADDITIONAL INFORMATION (cont.)

7.8 effect on control of the Company (cont.)

event	number of Fully Paid Ordinary Shares in the Company held by Intercorp	voting power of Intercorp in the Company
Intercorp holding as at the date of the Prospectus	75,303,019	6.61%
after issue of New Shares to Intercorp assuming 100% Shortfall	834,296,229	43.97%
after issue of New Shares to Intercorp assuming 75% Shortfall	657,098,430	34.63%
after issue of New Shares to Intercorp assuming 50% Shortfall	479,900,631	25.29%
after issue of New Shares to Intercorp assuming 25% Shortfall	302,702,831	15.95%

The calculations above assume that Intercorp will not increase its holding of Shares prior to the Record Date and / or the close of the Rights Issue. If Intercorp acquires additional Shares prior to either of these dates, the numbers set out above will vary accordingly. Intercorp may only acquire additional Shares prior to the Record Date and / or the close of the Rights Issue to increase its voting power to 20% (and not more). If Intercorp increases its voting power to 20% prior to the Record Date, the maximum potential voting power on completion of the Rights Issue will be 52% (or 986,691,173 Shares).

7.9 privacy act

If you complete an application for New Shares and Attaching Options, you will be providing personal information to the Company. The Company collects, holds, and will use that information to assess your application, service your needs as a Shareholder and Option Holder, facilitate distribution payments and corporate communications to you as a Shareholder and Option Holder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules.

SECTION 7: ADDITIONAL INFORMATION (cont.)

7.10 continuous disclosure and documents incorporated in prospectus

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities. The New Shares which will be issued pursuant to this Prospectus are of a class that has been quoted on the official list of ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a prospectus for “continuously quoted securities”. In general terms prospectuses for “continuously quoted securities” are only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities 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 12 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.

The Company, as a disclosing entity under the Corporations Act, states that:

- a) it is subject to regular reporting and disclosure obligations;
- b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - i) the annual report of the Company most recently lodged with the ASIC, being its 2009 Annual Report;
 - ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the 2009 Annual Report referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act; and
 - iii) any continuous disclosure notices given by the Company after lodgment of the annual report with the ASIC.

SECTION 7: ADDITIONAL INFORMATION (cont.)

7.10 continuous disclosure and documents incorporated in prospectus (cont.)

Pursuant to section 712 of the Corporations Act the following documents have been released to the ASX and lodged with ASIC during the financial year 2009 / 2010 before the issue of this Prospectus.

date	title of announcement
23 October 2009	Appendix 3B – Fully Underwritten Rights Issue
22 October 2009	Form 603 – Notice of Initial Substantial Holder
21 October 2009	Section 708A Notice
21 October 2009	Notice of 2009 Annual General Meeting
21 October 2009	Fully Underwritten Rights Issue
21 October 2009	2009 Annual Report
21 October 2009	AU\$209K share placement
16 October 2009	Appendix 3Y – change of Director's Interest Notice
09 October 2009	Appendix 3Y – change of Director's Interest Notice
30 September 2009	Full Year Statutory Accounts for the year ended 30 June 2009
09 September 2009	Top 20 Optionholders
08 September 2009	Appendix 3Y – change of Director's Interest Notice
07 September 2009	Placement of shortfall listed options
04 September 2009	Trading update
03 September 2009	Introducing DataMotion Asia Pacific Presentation
02 September 2009	Latest Investor Presentation – September 2009
01 September 2009	DataMotion Intelligent Information Transport platform
01 September 2009	SMX rebranded DataMotion SecureMail
01 September 2009	DataMotion Asia Pacific Limited – website address
31 August 2009	Overview of Financial Results
31 August 2009	Appendix 4E – preliminary final report 30 June 2009
31 August 2009	Synergy Equities Group Limited – change of name
19 August 2009	Appendix 3B – issue of options pursuant to Employee Option Incentive Scheme
14 August 2009	Results of Extraordinary General Meeting
14 August 2009	SMX sales thrust into Asia Begins
04 August 2009	Extraordinary General Meeting – amendment to resolution
31 July 2009	4 th quarter cash flow report for the period ended 30 June 2009
31 July 2009	4 th quarter activities report for the period ended 30 June 2009
28 July 2009	Data-inCrypt appointed Asia Pacific master distributor
21 July 2009	New functionality enhances SMX platform
15 July 2009	SMX works with Local Government Associations nationwide
13 July 2009	Appointment of joint Company Secretary
07 July 2009	Proxy Form for Extraordinary General Meeting
07 July 2009	Notice of Extraordinary General Meeting
01 July 2009	Update – DataMotion Vice President's tour of Australia with SMX

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

ASX maintains files containing publicly available information for all listed companies on its internet site (www.asx.com.au). The Company's announcements can be viewed at this site and also at the Company's website www.datamotion.asia.

SECTION 7: ADDITIONAL INFORMATION (cont.)

7.11 Directors' interests

No Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with ASIC, any interest in:

- i) the promotion or formation of the Company; or
- ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Shares pursuant to this Prospectus; or
- iii) the offer of securities pursuant to this Prospectus, and

no amounts have been paid or agreed to be paid (in cash or securities or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company or offer of securities pursuant to this Prospectus.

The Directors' interests in securities of the Company at the date of this Prospectus are:

Director	Fully Paid Ordinary Shares	Listed Options (class DMNOA)	Unlisted Options
Direct interest:			
Ronald Moir	33,000,000	nil	30,000,000 ¹
Mark Popham	10,000,000	8,000,000	20,000,000 ²
Martin Eade	4,091,494	3,273,196	30,000,000 ³
Indirect interest:			
Ronald Moir	nil	100,000,000	nil
relevant interest in Central Great Southern Holdings Pty Ltd <Central Great Southern A/C>			

1. Employee Option Incentive Scheme options exercisable at \$0.025 on or before 07 Dec 13
2. Employee Option Incentive Scheme options exercisable at \$0.025 on or before 07 Dec 13
3. 20,000,000 Employee Option Incentive Scheme options exercisable at \$0.025 on or before 07 Dec 13 and 10,000,000 Employee Option Incentive Scheme options exercisable at \$0.025 on or before 08 Dec 10.

Each of the Directors has confirmed that it is their intention to take up their full Entitlements under the Offer.

7.12 payments or benefits to Directors

No one has paid or agreed to pay any amount or given or agreed to give any benefit to any Director to induce them to become, or qualify as, a Director or for services provided by a Director in connection with the promotion or formation of the Company or the Rights Issue.

7.13 expenses of the Rights Issue

The total expenses of the Rights Issue, including Underwriting Fees, legal, accounting, tax, marketing and administrative fees as well as printing, advertising and other expenses relating to this Prospectus and the Rights Issue, are expected to be approximately \$135,000. These expenses will be borne by the Company.

SECTION 7: ADDITIONAL INFORMATION (cont.)

7.14 interests and consents of experts and advisers

Except as set out below or elsewhere in this Prospectus, no person named in this prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, a promoter or the Underwriter holds, or has at any time during the last two years held, any interest in:

- a) the formation or promotion of the Company;
- b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Rights Issue or
- c) the Rights Issue.

Except as set out below or elsewhere in this prospectus, no one has paid or agreed to pay any amount or given or agreed to give any benefit for performing a function in a professional, advisory or other capacity for services provided by that person in connection with the formation or promotion of the Company or the Rights Issue.

Cunningham Peterson Sharbanee Securities Pty Ltd is acting as the Underwriter and Intercorp Pty Ltd is acting as sub-underwriter to the Rights Issue and will receive fees.

7.15 Directors' consent

Each Director of DataMotion Asia Pacific Limited has given, and not withdrawn, their consent to the lodgment of this Prospectus with ASIC.

Signed on behalf of the Directors pursuant to a resolution of the Board.



Ronald Moir
Managing Director
DataMotion Asia Pacific Limited

SECTION 8: GLOSSARY

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange as appropriate.

ASX Listing Rules means the Listing Rules of the ASX.

ASTC Settlement Rules means the ASTC Settlement Rules issued by the ASX Settlement and Transfer Corporation Pty Limited.

AWST means Australian Western Standard Time.

Business Day means a day on which trading takes place on the stock market of ASX.

CHESS means ASX Clearing House Electronic Sub-registry System.

Closing Date means the closing date for receipt of Entitlement and Acceptance Forms under this Prospectus being 5.00pm (WST) 01 December 2009 (unless extended).

Company means DataMotion Asia Pacific Limited (ABN 44 009 148 529).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Commonwealth).

Data-inCrypt[®] means Data-inCrypt[®] Pty Ltd, the Company's wholly owned subsidiary;

Director means a director of the Company at the date of this Prospectus.

DMN is the Company's ASX code.

Dollar or **\$** means Australian dollars.

Eligible Shareholder means a Shareholder entered on the register of shareholders of the Company on the Record Date, but excludes a Non-Qualifying Foreign Holder.

Entitlement means the entitlement of an Eligible Shareholder who is eligible to participate in the Offer.

Entitlement offer means the offer pursuant to this Prospectus for two (2) New Shares and one (1) Attaching Option for every three (3) Shares held by the Shareholder at the Record Date.

Entitlement and Acceptance Form means the application form accompanying this Prospectus.

Expiry Date means 06 May 2013

Non-Qualifying Foreign Holders means Shareholders with an address on the register of the Company which is outside Australia or New Zealand.

Offer means the offer of New Shares and Attaching Options to an Eligible Shareholder for their Entitlement referred to in the "Details of the Offer" (Section 4) of this Prospectus.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Opening Date means the date on which the Offer opens.

Option means an option to subscribe for a Share.

Option Holders means person who hold Options as at the date of the Prospectus.

Prospectus means this Prospectus.

Record Date means 5:00pm (WDST) on 04 November 2009.

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

Shareholders mean shareholders of the Company.

Shortfall Offer means the number of New Shares and Attaching Options comprising the difference between the New Shares and Attaching Options the subject of the Offer and the number of New Shares and Attaching Options for which valid acceptances of the Offer have been received and accepted by the Company by the Closing Date.

Shortfall Options means those New Shares and Attaching Options that form part of the Shortfall Offer.

SYNERGY Australia or **Synergy Business Solutions Australia** means Synergy Business Solutions Australia Pty Ltd, the Company's wholly owned subsidiary.