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ASX Announcement

Hostech to Acquire the Assets of 5Star Telecom and OfficeLink+

- Hostech ("HTC", ASX:HTC) to acquire the business assets of 5Star Telecom Pty Ltd (5Star) and OfficeLink Plus Pty Ltd (OfficeLink+)
- 5Star is a profitable Sydney based reseller of mobile, fixed line, data and managed services to small business customers
- OfficeLink+ is a profitable national business offering managed private network services to business customers
- Hostech to pay \$930,000 in shares at \$0.02 and \$100,000 in cash for the assets of 5Star
- Hostech to pay \$750,000 in shares at \$0.02 and \$250,000 in cash for the assets of OfficeLink+
- The acquisitions will bring valuable executive talent to Hostech with 5Star founder Carlos Perez and Frank Bradicich plus OfficeLink+ founder Paul McConnell joining the executive team of Hostech
- HTC will appoint Carlos Perez as CEO and Director and Paul McConnell as CTO

Hostech Limited ("Hostech" or the "Company") advises that it has reached agreement to purchase the assets of 5Star and OfficeLink+. Final contracts are currently being prepared by the parties. The addition of the 5Star and OfficeLink+ customer bases and accompanying annuity revenue streams add an exciting dimension to the business and will enable HTC to offer its customers a broader range of communications services.

Carlos Perez comes with an impressive track record in telecommunications having founded T3 Communications in January 2002 and then selling the company to Pacific Internet (Australia), in 2005. Carlos has been successfully involved in eight telecommunication start up operations in eight different countries. He has also held senior finance roles at other Australian publicly listed companies. Frank Bradicich is equally well credentialed as a long established sales professional in the industry. 5Star was formed in 2007 and quickly reached break even in late 2008.

Carlos Perez comments that "Hostech represents an exciting opportunity to deliver a greater array of communication products to SMEs through a single company while delivering excellence in customer service. The combination of a customer focused team and the Board's commitment to cash accretive acquisitions will deliver sustainable value to shareholders."

The acquisitions and appointments are subject to the completion of due diligence and formal contracts based on the term sheets. The 5Star acquisition is below the value that requires

shareholder approval and as such the board will move quickly to completion and integration of 5Star into the day to day operations of HTC. The OfficeLink+ acquisition will require shareholder approval. The board of Hostech will call an EGM of shareholders once due diligence on OfficeLink+ is completed.

For further information regarding the 5Star business, please visit www.5startelecom.com.au
For further information regarding the OfficeLink+ business, please visit www.officelink.net.au.

Justyn Stedwell

Company Secretary

On behalf of the Board of Directors

Hostech Limited