SYNERGY EQUITIES GROUP

THE NEW FORCE IN INTERNET SECURITY, SYSTEMS & SERVICES

ASX / MEDIA RELEASE

06 MARCH 2009
ELS073.2009

Q&A - SMX & COMMON CRITERIA CERTIFICATION

SMX
secure registered email
...when privacy matters

In response to Synergy Equities Group Limited's ("the Company", ASX : SYG) ASX announcements of 11 September & 13 November 2008 regarding its wholly owned subsidiary Data-**inCrypt**® Pty Ltd's ("Data-**inCrypt**®") forthcoming submission of SMX secure registered email ("SMX") for Common Criteria certification by the Defence Signals Directorate ("DSD"), many Shareholders have requested further information relating to the process and end-results of this certification. The following information clarifies some key points regarding this important SMX milestone.

what is the Common Criteria?

The Common Criteria for Information Technology Security Evaluation (known simply as "Common Criteria"), is an international standard for computer security.

Common Criteria momentum has significantly increased over the last few years with hundreds of products entering into evaluation throughout the world each year. It is fast becoming a necessity for products with security functionality to have a Common Criteria evaluation performed. Those products that have not been formally evaluated are often playing catch-up with competitor's products that have received certification.

There is a mutual recognition agreement in place known as the Common Criteria Recognition Arrangement (CCRA), where each party recognises evaluations against the standard completed by participating nations, meaning that successfully evaluated products can be marketed as meeting Government policy requirements in the 26 CCRA participating nations which include Singapore, Malaysia, South Korea, Japan and New Zealand.

Interested Shareholders can obtain further information on the Common Criteria at http://www.commoncriteriaportal.org

who will conduct the evaluation of SMX?

The evaluation will be carried out by one of the three Australasian Information Security Evaluation Facilities (AISEFs), being IT security testing laboratories that are accredited to conduct security evaluations for conformance to the Common Criteria.

Data-**inCrypt**® has been and continues to apply due diligence to the three AISEFs, and once completed, Data-**inCrypt**® will work with its chosen AISEF to navigate the evaluation process.

what does the certification process involve, and how long will it take?

there are three phases…

1) Acceptance: this phase will focus on the preparation of the "Security Target" document, which will define in broad terms what SMX does and how it does it. Once this document is approved by the DSD, SMX will immediately be added to the DSD Evaluated Products List ("EPL") with a status of "in-evaluation". **Once this occurs, Government agencies are permitted to start implementing and using SMX. This is anticipated to occur within one month of commencing the process.**

2) Evaluation: this phase will see SMX evaluated against the requirements of the Common Criteria, and is expected to be completed within a three to five month timeframe.

3) Certification: the final phase involves the submission of an "Evaluation Technical Report" to DSD and the addressing of any comments from the certification body before SMX's status on the EPL is changed to "certified". Once this is completed, SMX will be submitted to the international Common Criteria products list.

The entire certification process is anticipated to take six months.

what changes when SMX is certified, and what's in it for the Company?

Once SMX is certified under the Common Criteria, Government agencies and Corporate organisations with similarly high-security requirements (e.g. engineering firms, security companies, financial institutions etc.) throughout the 26 CCRA participating nations will be immediately assured that SMX offers an appropriate level of security and protection for their information networks without needing to conduct their own tests.

The certification of SMX will provide it with instant credibility in what the Company considers to be its primary target market of Government agencies and corporate organisations with similarly high-security requirements throughout the Asia Pacific region. In Australia, Federal Government departments are required to buy Common Criteria certified products whenever possible, as outlined in the DSD's Australian Government Information and Communications Technology Manual (see http://www.dsd.gov.au/library/infosec/ism.html for further information).

The size of the primary target market and corresponding sales revenues that SMX will be exposed to once certification has been achieved represents a tremendously exciting opportunity for the Company and promises the delivery of substantial rewards to Shareholders.

Yours faithfully

Ronald Moir
Managing Director
SYNERGY EQUITIES GROUP LIMITED

Corporate Partner

Australia