



SYNERGY EQUITIES GROUP

THE ASIA PACIFIC LEADER IN SECURE EMAIL

ASX / MEDIA RELEASE

15 JULY 2009
ELS004.2010

SMX WORKS WITH LOCAL GOVERNMENT ASSOCIATIONS NATIONWIDE



Synergy Equities Group Limited (“the Company”, ASX : SYG) is pleased to announce that its wholly owned subsidiary Data-inCrypt® Pty Ltd has completed the first half of a nationwide strategy for the supply of SMX secure registered email “hosted service” licenses to Local Governments nationwide through their respective Local Government associations.

The need for SMX in Local Government is being brought about by the forthcoming changes to Australian privacy laws (the ASX announcements of 19 Aug 08 and 09 Mar 09 refer), which will require personal information transmitted over the Internet to be encrypted. At the Local Government level, the potential applications for SMX range from everyday enquiries from the general public to integrated Internet-based systems associated with the payment of rates and other council taxes.

There are currently around 700 Local Government Areas (LGA) in Australia accountable to a diverse range of metropolitan, regional, rural, and Indigenous communities - 539 of these are regional / rural. The generic names of the LGAs vary from State to State, examples include Borough, City, District, Municipality, Region, Rural City, Shire and Town – some local government areas in New South Wales and South Australia are simply known as "Areas". In total, Local Governments employ around 167,000 people nationwide.

In the first half of calendar year 2009, Data-inCrypt® worked with the Western Australian Local Government Association (www.walga.asn.au), the Local Government Association of South Australia (www.lga.sa.gov.au) and the Municipal Association of Victoria (www.mav.asn.au) to refine its strategy.

During this second half of the 2009 calendar year, Data-**inCrypt**[®] will complete its discussions with the remaining local government associations – i.e. New South Wales, Queensland, Northern Territory, Australian Capital Territory and Tasmania. In addition to teaming with each individual association, Data-**inCrypt**[®] will present a unified pricing model to the Australian Local Government Association's (www.alga.asn.au) national purchasing group, which will promote SMX to Local Governments.

The Company looks forward to keeping the market informed.

Yours faithfully

Ronald Moir
Managing Director
SYNERGY EQUITIES GROUP LIMITED

