



19 March 2009

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

Via Electronic Lodgement

INFORMATION LETTER TO AUSTRALIAN & NEW ZEALAND SHAREHOLDERS

As foreshadowed in Synergy Equities Group Limited's pro-rata non-renounceable rights issue Prospectus (as lodged with ASIC and announced to ASX on 17 March 2009), please find attached a copy of a letter despatched to Australian & New Zealand Shareholders which contains information regarding the rights issue including the anticipated timetable.

Yours faithfully

Ronald Moir
Managing Director
SYNERGY EQUITIES GROUP LIMITED

attach: – letter to Australian & New Zealand Shareholders (2 pages)



19 March 2009

Dear Shareholder

INFORMATION FOR AUSTRALIAN & NEW ZEALAND SHAREHOLDERS
PRO-RATA NON-RENOUCEABLE RIGHTS ISSUE

Synergy Equities Group Limited (“the Company”) is pleased to advise that it will be offering eligible Shareholders the opportunity to participate in a pro-rata non-renounceable rights issue of options on the basis of four (4) New Options for every five (5) shares held at an issue price of \$0.001 (0.1 cents) each. The New Options will have an exercise price of \$0.01 (1.0 cent) and will expire on 06 May 2013. The rights issue is non-renounceable and entitlements under the rights issue will not be able to be traded.

The Company has incorporated a top-up facility whereby eligible Shareholders may apply for additional options in excess of their entitlement at the issue price. Additional options will only be available to the extent that other eligible Shareholders do not take up their entitlements. The rights issue will only be extended to the Company’s Shareholders with registered addresses in Australia and New Zealand, and holders of unlisted options already on issue will be entitled to exercise their options prior to the Record Date in order to participate in the rights issue.

The purpose of the issue is to raise approximately \$798,949. After deducting associated costs, funds from the Offer will be applied to the Company’s SMX sales & marketing plan that includes the Common Criteria certification of SMX as well as working capital. The Common Criteria certification of SMX will immediately raise it alongside products from the likes of Microsoft, Cisco, Oracle, Sun and Citrix and can be marketed as meeting Government policy requirements in the 26 Common Criteria Recognition Arrangement (CCRA) participating nations (which include Australia, New Zealand, Singapore, Malaysia, South Korea and Japan).

The anticipated timetable* and important dates of the rights issue are as follows:

announce rights issue with Appendix 3B to ASX	Tuesday, 17 March 2009
lodge prospectus with ASIC and announce same to ASX simultaneously	Tuesday, 17 March 2009
send letter to shareholders & include timetable for non-renounceable rights issue	Thursday, 19 March 2009
shares quoted ex-Entitlements	Friday, 20 March 2009
Record Date	Thursday, 26 March 2009
complete dispatch of Prospectus & Entitlement and Acceptance forms - applications open	Wednesday, 01 April 2009
closing date for applications	Wednesday, 29 April 2009
notify ASX of any under subscriptions	Monday, 04 May 2009
Holding Statements dispatched to New Optionholders (anticipated)	Thursday, 07 May 2009

* These dates are indicative only and subject to change. The Company, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, reserves the right to change any of these dates without notice. This may include extending the Rights Offer or accepting late acceptances, either generally or in particular cases.

The capital structure of the Company on completion of the rights issue, assuming no existing options are exercised prior to the Record Date and the issue is fully subscribed, will be as follows:

shares

	Number
Ordinary Shares currently on issue	998,686,795
Ordinary Shares offered pursuant to this Offer	Nil
Total Ordinary Shares on issue after completion of the Offer	998,686,795

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
New Options exercisable at 1.0 cent on or before 06 May 2013	798,949,436
Total options on issue at completion of the Offer	903,949,436

The offer of New Options will be made pursuant to a Rights Offer Prospectus, which was lodged with the Australian Securities and Investments Commission (ASIC) and released to the Australian Securities Exchange (ASX) on 17 March 2009. The Prospectus will be mailed to all Shareholders who are registered at 5:00pm (WST) on the Record Date, and is available for viewing on the Company's website www.synergylimited.com and also at the ASX website www.asx.com.au.

Eligible Shareholders in the Company who wish to participate in the Rights Offer may only do so by completing the personalised Entitlement and Acceptance Form which will accompany their copy of the prospectus. Shareholders are also encouraged to participate in the Shortfall Offer, which allows Shareholders to acquire additional New Options above their entitlement. In calculating entitlements under the rights issue, fractions will be rounded up to the nearest whole number.

Shareholders eligible to participate should read the Prospectus carefully. Should you have any queries, please contact me via +61 (0)8 9415 2212.

Yours faithfully



Ronald Moir
Managing Director
SYNERGY EQUITIES GROUP LIMITED

