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15 January 2010

Powerlan Limited
Board of Directors
Dr Ian Campbell, Chairman
Level 3, 15 Blue Street
North Sydney NSW 2060

Dear Dr Campbell,

TAKEOVER OFFER FOR POWERLAN LIMITED

1. Takeover offer

I am pleased to inform you of my intention via a special purpose vehicle, Alpha Growth International (Australia) Pty Ltd (**Alpha**), to make an off-market takeover offer (**Offer**) to acquire all of the issued shares in Powerlan Limited (**Powerlan**).

Under the terms of the Offer, accepting Powerlan shareholders will receive \$0.10 for each Powerlan share they own.

The Offer is subject to a minimum acceptance condition of more than 90% of Powerlan shares and other conditions set out in the Annexure to this letter.

2. Details of Alpha

Alpha is an Australian company which is associated with the following current shareholders of Powerlan:

Mr. Jason Ong Ka Lu (Jason Ong). Mr Ong serves as CEO of Asialnfo International Pte. Ltd. (Asialnfo International), a telecommunications IT company 70% owned by Asialnfo Holdings, Inc. (NASDAQ: ASIA) and is a Director of Alpha Growth International Pte. Ltd., which owns the remaining 30% of Asialnfo International.

Mr. Lim Cheng Hock (Johnny Lim). Mr. Lim currently serves as Vice President of Strategic Alliances for Asialnfo Holdings, Inc. and is Chief Operating Officer of Asialnfo International.

Dr. Tomislav Matic – through his private investment company Talrink Pty Ltd. Dr. Matic served as a senior executive in Powerlan from 2000 to 2007 – the last three years as its CEO.

3. Benefits of the Offer for all shareholders

This Offer provides Powerlan shareholders with the opportunity to receive an immediate and generous cash value for their Powerlan shares.

Powerlan has failed to deliver adequate returns to shareholders for several years, with three years of unacceptable losses, a share price decline of -79% over the past four years and no dividend paid to shareholders in 2009.

\$'000	2005	2006	2007	2008	2009
Company Performance					
Net profit after tax	(367)	5,940	(2,223)	(13,818)	(11,807)
EPS in cents	(1.02)	15.02	(5.38)	(17.89)	(14.31)
Share price at 30 June (cents)	15.5	50.5	22.5	7.6	6.0
Director and executive remuneration	2,435	2,432	2,690	1,848	1,913

Source: Powerlan Limited 2009 Annual Report

4. Offer represents an attractive premium

The Offer consideration of \$0.10 per share represents an attractive premium for Powerlan shareholders which is 33.3% higher than the price at which Powerlan was trading on December 9 2009, just prior to delivery of a letter from Mr Ong to the Chairman of Powerlan making a proposal to discuss a subscription for the purchase of Powerlan shares and 11% higher than the price which Dr. Ian Campbell, the Chairman and the controlling shareholder of Powerlan, recently offered in his bid to privatise the company.

5. Offer conditions

In summary, the Offer is conditional on a number of items, including:

- » minimum acceptance condition of 90%;
- » no material adverse change in Powerlan;
- » no material acquisitions or disposals of assets by Powerlan;
- » index fall; and
- » no prescribed occurrences as detailed in section 652C of the *Corporations Act 2001* (Cth).

Further details outlining the conditions of the Offer to be included in Alpha's Bidder's Statement are attached as Annexure A.

6. Timetable

Alpha's Bidder's Statement is expected to be lodged in February 2010 and will be subsequently dispatched to Powerlan shareholders. The Bidder's Statement will set out all of the terms of Alpha's Offer.

The scheduled closing date of the Offer is expected to be before the end of March 2010.

7. Future Capital Raisings

Alpha is also pleased to offer to underwrite (without a fee) a capital raising to raise sufficient working capital and to refinance the debt from CPS Group Investments Pty Ltd on commercial terms between the date of this letter and the end of the Offer period for up to \$0.10 per Powerlan share. This offer is subject to Alpha performing

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satisfactory due diligence on Powerlan and entering into a binding agreement regarding the underwriting.

Yours sincerely

A handwritten signature in black ink, appearing to read 'T. Matić', written in a cursive style.

Dr Tomislav Matić

Annexure A - Conditions of Alpha's off-market offer to acquire all of the shares in Powerlan

The Offer and any contracts resulting from the acceptance of the Offer will be subject to the fulfilment of the following conditions:

1. Minimum Ownership

That at the end of the Offer period, Alpha has a relevant interest in more than 90% of the number of Powerlan shares then on issue.

2. No material adverse change

That no specified event occurs after the announcement of the Offer that will, or is reasonably likely to, have a material adverse effect on the assets and liabilities, financial position and performance, profits and losses, revenue or prospects of Powerlan and its subsidiaries, including as a result of making the Offer or the acquisition of Powerlan shares pursuant to the Offer. For these purposes, a "specified event" is an event or occurrence that:

- (a) occurs after the announcement of the Offer;
- (b) occurs before the announcement of the Offer, but is only announced or publicly disclosed between the announcement of the Offer and the end of the Offer Period; or
- (c) will or is likely to occur following the Offer Period and which has not been publicly announced prior to the announcement of the Offer.

3. No material transactions

Except for any proposed transaction publicly announced by Powerlan before the announcement of the Offer, none of the following events occurs during the period from the announcement of the Offer to the end of the Offer Period:

- (a) Powerlan or any subsidiary of Powerlan acquires, offers to acquire or agrees to acquire one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount in aggregate greater than A\$100,000 or makes an announcement in relation to such an acquisition, offer or agreement;
- (b) Powerlan or any subsidiary of Powerlan disposes of, offers to dispose of or agrees to dispose of one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount, or in respect of which the book value (as recorded in Powerlan's balance sheet as at 31 December 2009) is, in aggregate, greater than A\$100,000 or makes an announcement in relation to such a disposition, offer or agreement; or
- (c) Powerlan or any subsidiary of Powerlan enters into, or offers to enter into or agrees to enter into, any agreement, joint venture, partnership, management agreement or commitment which would require expenditure, or the foregoing of revenue, by Powerlan and/or its subsidiaries of an amount which is, in aggregate, more than A\$100,000, other than in the ordinary course of business, or makes an announcement in relation to such an entry, offer or agreement.

4. Prescribed occurrences

That during the period from the announcement of the Offer to the end of the Offer period, none of the following events happen without the prior written consent of Powerlan:

- (i) Powerlan converts all or any of its shares into a larger or smaller number of shares;
- (ii) Powerlan or a subsidiary resolves to reduce its share capital in any way; or
- (iii) Powerlan or a subsidiary:
 - (A) enters into a buy-back agreement;
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**);
 - (C) issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
 - (D) issues, or agrees to issue, convertible notes;
 - (E) disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - (F) charges, or agrees to charge, the whole, or a substantial part, of its business or property;
 - (G) resolves to be wound up;
 - (H) has a liquidator or provisional liquidator appointed;
 - (I) has a court make an order for its winding up;
 - (J) has an administrator appointed under sections 436A, 436B or 436C of the *Corporations Act*;
 - (K) executes a deed of company arrangement; or
 - (L) a receiver or a receiver and manager appointed in relation to the whole, or a substantial part, of its property.

5. No distributions

After the announcement of the Offer, none of Powerlan or any of its subsidiaries, declares, distributes, or resolves to pay or provide any dividend, bonus or other share of its profits or assets (whether by way of dividend, capital reduction or otherwise and whether cash or in specie).

6. No related party transactions

During the period from the announcement of the Offer to the end of the Offer Period, Powerlan does not enter into or otherwise become a party to any transaction with a related party or related entity (as those terms are defined in the *Corporations Act*).

7. Co-operation and access to information

At all times during the period from the announcement of the Offer to the end of the Offer period, Powerlan promptly (and in any event within 3 business days of a request) provides Alpha with all access and information which Alpha may from time to time reasonably request, whether or not such information is generally available (within the meaning of the Corporations Act), relating to Powerlan or any of its subsidiaries, or its or their respective assets or business operations (including but not limited to access to all of Powerlan's business premises and operations by Alpha personnel and advisors appointed by Alpha). For the purposes of this condition, a request by Alpha will be deemed to be reasonable if it is for:

- (a) information which a bidder in the position of Alpha would reasonably require in order to make an informed assessment of the business, financial or trading position, assets or liabilities, profitability or prospects of Powerlan or any of its subsidiaries; or
- (b) information which has been provided by Powerlan or its associates to any other bidder or potential bidder for Powerlan (whether by takeover, scheme of arrangement or any other proposal or proposals likely to lead to a change of control of Powerlan, any of its subsidiaries, or any of the assets of Powerlan or its subsidiaries).

8. Material contracts

During the period from the announcement of the Offer to the end of the Offer period, no person exercises or purports to exercise, or states an intention to exercise, any rights under any provision of any agreement or other instrument to which Powerlan or any subsidiary of Powerlan is a party, or by or to which Powerlan or any subsidiary of Powerlan or any of its assets may be bound or be subject, which results, or could result (to an extent which is material in the context of Powerlan or Powerlan and its subsidiaries taken as a whole) in:

- (a) any monies borrowed by Powerlan or any subsidiary of Powerlan being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument;
- (b) any such agreement or other instrument being terminated or modified or any action being taken or arising there under;
- (c) the interest of Powerlan or any subsidiary of Powerlan in any firm, joint venture, trust, corporation or other entity (or any arrangements relating to such interest) being terminated or modified;
- (d) the assets of Powerlan or any subsidiary being sold, transferred or offered for sale or transfer, including under a pre-emptive rights or similar provision; or
- (e) the business of Powerlan or any subsidiary with any other person being adversely affected.

9. Approvals by Public Authorities

Before the end of the Offer period, Alpha receives all regulatory approvals and consents which are required by law, regulation or regulatory policy:

- (a) to permit the Offer to be made to and accepted by Powerlan shareholders in all applicable jurisdictions; and
- (b) for Alpha to acquire Powerlan shares,

and, in each case, those approvals are on an unconditional basis and at all relevant times remain in force in all respects.

10. Indices

The S&P ASX 200 Index for any five or more consecutive days after the date of the Announcement, is 10% or more below its respective level as at the close of business on the business day immediately prior to the announcement of the Offer.

11. Interest in Powerlan

That during the period from the announcement of the Offer to the end of the Offer period, no person (other than Alpha) acquires a relevant interest in more than 20% of Powerlan shares.

12. No material filings or failings

During the period from the announcement of the Offer to the end of the Offer period, Alpha does not become aware that any document filed by or on behalf of Powerlan with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.