



(ACN: 057 345 785)

ASX Announcement

Directors Re-affirm Rights Issue in Best Interests of Powerlan and Recommend Shareholders Take No Action in Respect of the Conditional Proposal from Alpha

25 January 2010

The Board of Powerlan Limited ("Powerlan" or the "Company") has today confirmed that it believes the 4:1 renounceable rights issue at \$0.06 per share ("Rights Issue") announced on 15 January 2010 is in the best interests of the Company and its shareholders. In addition, the Board unanimously recommends shareholders take no action in respect of the unsolicited and highly conditional proposal ("Conditional Proposal") from Alpha Growth International (Australia) Pty Ltd ("Alpha").

Rights Issue re-affirmed

As previously announced, proceedings are currently before the Takeovers Panel as a result of an application made by Alpha to the Takeovers Panel on 19 January 2010 in relation to the Rights Issue. Among other things, Alpha contends that the Rights Issue is structured in a way that affects the control of Powerlan. Powerlan opposes Alpha's application. Powerlan will update shareholders as soon as the Takeovers Panel decision is made.

In the meantime and as announced by Powerlan on 21 January 2010, Powerlan is proceeding with the Rights Issue. Today is the record date for determining entitlements under the Rights Issue.

Powerlan is preparing a supplementary prospectus to follow the original Rights Issue prospectus. The supplementary prospectus will be finalised and distributed to shareholders once the Takeovers Panel has reached a decision.

Powerlan Board recommends shareholders take no action in respect of the Alpha Proposal

Should Alpha proceed with a formal offer, Powerlan will respond in detail in its Target's Statement. However, the Board is conscious that shareholders should be as fully informed as possible on the Conditional Proposal whilst the Rights Issue is under way.

The Board recommends shareholders should:

- take no action in respect of the Conditional Proposal; and
- exercise caution in placing any reliance on the Conditional Proposal in forming a decision as to their participation in the Rights Issue, given the current conditionality of the Conditional Proposal.

Powerlan has written to Alpha seeking clarification of various matters relating to Alpha's announcement. Shareholders will be kept informed of any ongoing developments.

To ensure its readiness to respond to any offer that may be made by Alpha and in connection with the current proceedings before the Takeovers Panel, Powerlan has appointed Allier Capital as its financial advisor.

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About Powerlan

Powerlan Limited (ASX: PWR) provides specialist information technology products and services through four operating divisions:

- Clarity (www.clarity.com) offers carrier-grade Operational Support Systems (OSS) and Network Management Systems (NMS) software solutions for telcos and enterprises.
- ConverterTechnology (www.convertertechnology.com) provides software and services to help enterprises capitalize on the benefits of Microsoft Office 2007.
- IMX Software (www.imxsoftware.com) provides a full portfolio of solutions to manage the international trading of banknotes, precious metals, foreign exchange and any other financial or stored value instrument including travellers cheques, pre-paid cards, international banker's drafts and money transfers.
- Omnix Software (www.omnixsoftware.com) provides specialised software solutions for mobile telecommunications operators that address the specific project delivery, property management and asset management requirements of complex 2G, 2.5G, 3G and 4G/LTE wireless networks.

All divisions are incorporated and operate as self-contained companies.