



Wednesday 16th June 2010

MARKET ANNOUNCEMENT

Sofcom Limited (SOF.ASX) agrees to acquire 2up Holdings Pty. Ltd.

Further to the announcement released to the market on 7th May 2010 'Market Update', the Directors of Sofcom Limited ('SOF' or the 'Company') are pleased to announce that the Company has agreed to acquire all of the issued capital of 2up Holdings Limited (2up). The acquisition is subject to the Company satisfying a number of conditions, which include the approval of the shareholders of the Company, a restructure of the capital of Sofcom and a capital raising to fund the technology and marketing initiatives in the business and commercialisation plan of 2up. The consideration payable on the acquisition of 2up will be Sofcom shares.

On completion of the acquisition, the on-line gaming business of 2up will become the predominant business of Sofcom moving forward. 2up is a Melbourne based company focused on developing and deploying online gaming, wagering and betting exchange services. The Company is licensed to provide such services under an international interactive gaming licence granted to 2up in May 2010.

The Board of Sofcom considers the acquisition of 2up will provide shareholders with the opportunity to actively participate in a high growth industry (predicted to achieve world wide revenues of \$US30billion by 2012). Drawing on the significant experience of 2up's senior staff and directors, the expectation is that 2up will provide a compelling alternative to existing online gaming service providers.

In recognition of the above, the name of the Company will change to '2up Holdings Limited' and, post completion of the acquisition, the Board of the Company will change to reflect the new business and future direction of the Company.

The Company is currently working with its advisors and the vendors of the shares in 2up to finalise the terms of the restructure of the issued capital of Sofcom, the proposed capital raising and the future composition of the Board. It expects to be in a position to dispatch the general meeting documents (including an explanatory statement providing further information on the acquisition and associated capital raising) in July 2010.

If the acquisition of 2up is approved by the shareholders, and the other conditions of the acquisition are satisfied, the Company will seek formal approval from the ASX for the re-quotations of its shares on the ASX.

Further Information

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