



Monday 11th October 2010

MARKET ANNOUNCEMENT

Offer to acquire Bluechiip Limited

Sofcom Limited (**Company**) is pleased to announce that it has offered to acquire all of the issued share capital in Bluechiip Limited (**Bluechiip**) in consideration for the issue of shares in the Company to Bluechiip's shareholders (**Proposed Acquisition**).

Bluechiip is a Melbourne-based unlisted public technology company that has developed and is in the process of commercialising its unique tracking and monitoring solutions (**Bluechiip Products**) which have competitive advantages over existing labelling and tracking products currently available in the market. Bluechiip has identified healthcare, cold chain logistics, aerospace and security sectors as primary markets for the Bluechiip Products. The response from the healthcare sector to date in relation to the Bluechiip Products has been positive with feedback from several local and global organisations in this sector supporting Bluechiip's technology and validating its progress to commercialisation.

Completion of the Proposed Acquisition is subject to certain conditions being fulfilled including, but not limited to, acceptance of the Company's offer by Bluechiip shareholders, approval by the Company's shareholders at a general meeting and a capital raising by the Company of a minimum of A\$3 million under a public offer to be used to expand Bluechiip's business and operations.

The directors of the Company believe that the Proposed Acquisition is in the best interests of shareholders. Kristian Stebbing, a director of the Company, said: "The board of directors is very positive about the prospects of Bluechiip's innovative tracking and monitoring technologies. We are delighted to be able to present this opportunity to our shareholders."

Bluechiip's chairman, Iain Kirkwood, said: "Complex global trade and storage environments in different market verticals require flexible tracking solutions for end users. It is our aim to provide cost-effective customized tracking solutions to enable our customers to better manage and monitor their asset and inventory flow. This transaction will allow Bluechiip to further advance the commercialization of its unique and patented technology with revenues predicted in the coming year. We thank our existing shareholders for their continued support and welcome the shareholders of Sofcom Limited to participate in what I believe to be strong future prospects of the Bluechiip business."

Upon completion of the Proposed Acquisition, Bluechiip's business will become the sole business of the Company. In turn, the Company will change its name to 'Bluechiip Technologies Limited' and the Company's current directors will resign from the board and new directors will be appointed to reflect the new business and future direction of the Company.

The Proposed Acquisition brings the potential for existing shareholders of the Company to realise value and liquidity for their investment in the Company as the new board of the Company intends to seek reinstatement of quotation of its shares on the ASX following completion of the Proposed Acquisition. At this stage, the ASX has made no comment or assessment on whether the Company's application for re-admission will be successful and will only do so upon the Company's compliance with the relevant provisions in the ASX Listing Rules.

The decision on whether or not the Proposed Acquisition will proceed will be placed in the hands of the Company's shareholders. A general meeting of the Company's shareholders will be held to approve the relevant resolutions required to implement the Proposed Acquisition and the Company will shortly dispatch general meeting documents.

For further information on Bluechiip Limited, please visit www.bluechiip.com.

Further Information

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