



Wednesday 21st July 2010

MARKET ANNOUNCEMENT

Sofcom (SOF: ASX) (the **Company**) has previously announced on 16 June 2010 that it entered into an agreement to acquire 2up Holdings Pty Ltd (**2up**) (**Agreement**).

The acquisition was subject to the satisfaction of a number of conditions, which included 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.

It has now become apparent that the conditions would not be able to be satisfied prior to completion, and the parties to the Agreement have agreed to terminate the Agreement and release each other from the obligation to complete the Agreement.

The Company is in discussions with a number of other entities interested in utilising the Company as a vehicle for listing on ASX, and remains confident that it can undertake a strategic acquisition and seek formal approval from ASX to the re-quotations of its shares on ASX within the next 3 months.

The Company will keep the market advised of all developments.

Further Information

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