

FOR IMMEDIATE RELEASE

**Chairman's Address to Shareholders
Datasquirt Limited, Annual Meeting**

30 September 2011

FY11 has been a hard-working and productive year for Datasquirt, which has seen us increasingly selected as a best-of-breed provider by clients and channel partners internationally. We were delighted to achieve a profitable result for the last quarter of the year, and take the loss from ordinary activities for the year down to \$NZ 599,000; a 51% improvement on the previous year's loss of \$NZ 1,233,000.

Our Cloud-based solution "CONTACT" is giving Corporate Contact Centres around the world the ability to communicate easily in real-time with their customers through increasingly popular channels, such as SMS, Web Chat, Email, Twitter and Fax.

Datasquirt is well positioned from a technology standpoint and is capitalizing on some major growth drivers in the marketplace, including;

- The growing preference for Cloud Computing and Software as a Service
- Rapid Smart Phone adoption
- The increasing use of Social Media by businesses
- The growing demand for faster, more immediate business communication.

This year saw continued growth in sales through reseller partners internationally, culminating in Q4 with an agreement to supply a leading North American call centre provider with CONTACT under their own branding; a deal worth over US \$1M, which will see Datasquirt's software deployed across the United States and Canada. The global technology search that preceded this organization selecting CONTACT illustrates the quality and differentiation of the Datasquirt product offering.

In October 2010 Datasquirt became one of the first software providers in the world to offer a call centre specific platform for managing Twitter interactions with customers. Datasquirt clients such as Royal Mail Group and Wokingham Borough Council in the UK are now using CONTACT to manage Twitter-based service delivery in their call centres.

Only this month (September 2011), we were delighted to be voted first in the "Top 25 Contact Centre Technologies" by readers of a leading UK Contact Centre Magazine called "Call Centre Helper". This affirms that our product offering is in tune with the needs of our target market.

The company expects sales from both current and new clients to continue to increase and we anticipate on-going growth in the strength of our reseller channel. We will maintain a continued programme of product enhancement to deliver further social media and reporting functionality in line with client demand.

The directors remain confident in the success of Datasquirt and wish to thank our customers, staff, shareholders, suppliers and partners for their on-going support.

Mark Loveys

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About Datasquirt

Datasquirt (ASX: DSQ) supplies CONTACT™, an award winning, enterprise grade, multi-channel (email, SMS, efax, web chat and social media) communication solution. Businesses use CONTACT™ to acquire, retain and service customers to achieve revenue growth in a cost-effective and efficient manner. Datasquirt is headquartered in Auckland, New Zealand, with offices in London, Sydney and Düsseldorf. Datasquirt™ and CONTACT™ are trademarks of Datasquirt Limited. All other brand or product names are trademarks or registered trademarks of their respective holder(s). For more information see <http://www.datasquirt.com>, follow Datasquirt on Twitter at <http://twitter.com/datasquirt> or visit our blog at <http://blog.datasquirt.com>, call +64-9-358-5878 or +1-888-433 or email info@datasquirt.com.