



ASX announcement

Update on La Jolla Cove funding agreement

MELBOURNE 25 May 2012. Utilities management provider, Intermoco Limited (ASX: INT), advises that it has written to La Jolla Cove Investors Inc (La Jolla) notifying La Jolla that it is in breach of its agreement to subscribe for convertible notes issued by Intermoco, and that as a consequence Intermoco is considering its options.

On 4 October 2011 Intermoco announced that it had entered into a funding agreement with La Jolla whereby La Jolla would subscribe for up to \$6m in convertible notes on the terms set out in that announcement (Funding Agreement). La Jolla had been providing funding to Intermoco under the Funding Agreement until it recently failed to make payment.

La Jolla initially responded to Intermoco's claims for payment by sending a draft unsigned note claiming Intermoco was in default under the Funding Agreement due to an argument that Intermoco was not "quoted" on the ASX which Intermoco rejected as without foundation. La Jolla has today withdrawn that assertion without prejudice and has asserted that the lack of bid prices for INT stock is a Material Adverse Effect under the Funding Agreement. Intermoco again rejects this claim as without foundation. La Jolla also advised that it would not fund Intermoco under the Funding Agreement unless there is a bid price.

La Jolla, in Intermoco's opinion, remains in default of its obligations under the Funding Agreement. Intermoco will update the market in due course.

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About Intermoco Limited

Intermoco is an Australian public company listed on the Australian Stock Exchange (ASX: INT) based in Melbourne. The company is a leading provider of water, energy voice and data management solutions with a focus on the provision of embedded networks. Intermoco provides a world-class end-to-end internet-enabled energy metering and resource management solution to utilities, corporations, local councils and government departments to help them monitor, manage and minimise their consumption of electricity, gas and water.