



ECSI LIMITED

ABN 68 004 240 313

Company Update

Proposed Transaction – Mi Media Holdings & Essential Digital Group

The board is pleased to announce the proposed transaction announced on 28 December 2012 (**proposed transaction**) is progressing forward.

RSM Bird Cameron has been appointed and is in the process of completing the Independents Expert Report (**IER**) for the proposed transaction.

K&L Gates (formerly known as Middletons Lawyers) have been engaged to conduct due diligence on Mi Media Holdings Ltd (MMH) and Essential Digital Group Pty. Ltd. (EDG). And prepare the Notice of Meeting (**NOM**) for the proposed transaction.

The board of ECSI Limited is working closely with MMH and EDG to ensure an efficient process to enable the shareholders of ECSI to vote on the proposed transaction.

MMH and EDG during this time are continuing to grow their respective businesses with encouraging results. MMH have just launched a music service with Du, one of the largest mobile service carriers in the Middle East. EDG is expanding its customer base and reseller alliance resulting in increased revenue for the company.

Funding

ECSI Limited has successfully negotiated with an overseas party for funding by the way of the loan that will be used for to complete the proposed transaction and for working capital.

The loan is for an amount of \$296,500 for a period of 12 months with the option for another 12 months. The rate is 11% per annum for the first 12 months with the rate increasing to 12% per annum if the loan is rolled over for another 12 months.

This provides the Company financial certainty moving forward and allows it to progress the proposed transaction in a timely manner.

George Karafotias

Director