



(ACN: 057 345 785)

ASX ANNOUNCEMENT

Delay to Rights Issue

19 January 2010

Further to its Trading Halt announcement released earlier today, Powerlan Limited ("Powerlan") has announced that the timetable in relation to the 4:1 renounceable rights issue announced on 15 January 2010 will be delayed pending the determination of the Takeovers Panel (the "Panel") of an application which Alpha Growth International (Australia) Pty Ltd ("Alpha") has undertaken to file with the Panel today. Powerlan is unable to specify the new timetable until such time as it is notified of a likely hearing date for Alpha's application. Powerlan will release a revised timetable as soon as it is able to do so.

On 18 January 2010, Alpha lodged an application with the Panel seeking urgent interim orders postponing the rights issue and in particular delaying the trading in rights, which was due to commence today, on the alleged basis that the rights issue offer was a frustrating action in relation to Alpha's takeover offer also announced on 15 January 2010. The Panel permitted Powerlan until 8.00am today to respond to Alpha's application for interim orders.

Powerlan responded to Alpha's application by denying that the rights issue offer was intended to frustrate Alpha's takeover offer, pointing out that Powerlan had been considering the rights issue to raise capital to repay part of the loan owed to CPS Group Investments Pty Ltd (CPS) and to provide working capital for Powerlan since October 2009 and that Powerlan had decided as early as 10 December 2009 to proceed with a rights issue subject only to obtaining an independent third party underwriter on satisfactory terms.

Powerlan also pointed out that even Alpha conceded the need to raise capital to repay the CPS loan, but in its Takeover Offer, Alpha contemplated underwriting a capital raising at an issue price of 10 cents. Powerlan's proposed issue price is 6 cents.

The Panel made orders as detailed in Powerlan's earlier announcement today, which in effect postpone Powerlan's rights issue until the Panel has had the opportunity to fully consider Alpha's proposed application for a declaration that Powerlan's rights issue constitutes unacceptable circumstances. It is hoped that the Panel will be able to hear the application as soon as possible and perhaps within the next 3 days.

Powerlan continues to fully support its proposed rights issue and it will keep the market informed of progress.

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About Powerlan

Powerlan Limited (ASX: PWR) provides specialist information technology products and services through four operating divisions:

- Clarity (www.clarity.com) offers carrier-grade Operational Support Systems (OSS) and Network Management Systems (NMS) software solutions for telcos and enterprises.
- ConverterTechnology (www.convertertechnology.com) provides software and services to help enterprises capitalize on the benefits of Microsoft Office 2007.
- IMX Software (www.imxsoftware.com) provides a full portfolio of solutions to manage the international trading of banknotes, precious metals, foreign exchange and any other financial or stored value instrument including travellers cheques, pre-paid cards, international banker's drafts and money transfers.
- Omnix Software (www.omnixsoftware.com) provides specialised software solutions for mobile telecommunications operators that address the specific project delivery, property management and asset management requirements of complex 2G, 2.5G, 3G and 4G/LTE wireless networks.

All divisions are incorporated and operate as self-contained companies.