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21 April 2010

ASX Announcement
Issue of Shares

The Board of Directors of Hostech Limited ("Hostech") is pleased to announce the following details regarding a new issue of shares (please also see Appendix 3B to be lodged with the ASX today).

- The Company has accepted \$8,580,000 in subscription from Flaxton Hunter Pty Ltd ("FH") and its nominees in respect of convertible notes of which \$7,563,500 have immediately converted to new shares.
- Nominees of FH included Peter Kazacos (who subscribed \$2 million), sophisticated and professional investors and institutional clients of LINWAR Securities Pty Ltd.
- The \$8,580,000 includes the subscription of \$1,016,500 by Hostech management to be completed by 30 April 2010.
- The balance of the FH convertible note facility has been cancelled by agreement between FH and Hostech.

Justyn Stedwell
Company Secretary
On behalf of the Board of Directors
Hostech Limited