

1 December 2010

## Section 708AA(2)(f) Notice

The Company gives notice in accordance with section 708AA(2)(f) of the Corporations Act (the "Act") that:

- (1) The Company will offer to issue without disclosure to investors under Part 6D.2 of the Act 4,004,091 fully paid, ordinary shares (**Shares**) at an issue price of 10c per share under a non-renounceable rights issue on the basis of 1 new share for every 7 existing fully paid ordinary shares held at 5pm (Sydney time) on 13 December 2010 (**Record Date**) by shareholders whose address on the register of members is situated in Australia or New Zealand.
- (2) This notice is being given under section 708AA(2)(f) of the Act.
- (3) As at 1 December 2010, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company.
- (4) As at 1 December 2010, the Company has complied with section 674 of the Act.
- (5) As at 1 December 2010, there is no information:
  - (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - (b) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
    - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
    - (ii) the rights and liabilities attaching to the Shares.
- (6) The potential effects the issue of Shares under the Rights Issue will have on control of DSQ are:
  - (a) if each shareholder at the Record Date takes up their full respective entitlements under the Rights Issue, the issue of Shares under the Rights Issue would not have any effect on the control of DSQ;
  - (b) if DSQ shareholders take up only some of their Entitlements under the Rights Issue, the issue of Shares under the Rights Issue may have an effect on the control of DSQ depending upon the allocation of shortfall shares.

Investors should note the following:

- The proportional interests of shareholders whose addresses on the register of members is outside Australia and New Zealand will be diluted because those shareholders are not entitled to participate in the Rights Issue.

- The Directors set out below intend to participate in the Rights Issue. If no other shareholder subscribes for their entitlements under the Rights Issue, the holdings of those Directors and their associates will increase as follows:

Director	Current shares held	Percentage of issued shares held	Shares after Rights Issue	Percentage of issued shares held
Loveys	1,481,285	5.28%	1,692,897	5.63%
Neiser	3,886,710	13.87%	4,441,954	14.78%
Ridgway	8,750,172	31.22%	10,000,197	33.28%
<b>TOTAL</b>	<b>14,118,167</b>	<b>50.37%</b>	<b>16,135,048</b>	<b>53.69%</b>

- The Directors have agreed to underwrite the shortfall and accordingly, their individual holdings may increase depending on the allocation of the shortfall.

For more information please contact:

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## About Datasquirt

Datasquirt (ASX: DSQ) supplies CONTACT™, an award-winning, enterprise grade, multi-channel (email, SMS, fax and web-chat) 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 [www.datasquirt.com](http://www.datasquirt.com), visit the Datasquirt blog at <http://blog.datasquirt.com>, follow Datasquirt on Twitter at <http://twitter.com/datasquirt>, call +64-9-358-5878 or +1-888-433-9882, or email [info@datasquirt.com](mailto:info@datasquirt.com).