

30 June 2010

The Company Announcements Platform
Australian Securities Exchange
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MARKET UPDATE

As announced previously, the Company recently engaged the services of Mr Alex Aguero as a Toy Industry Consultant to advise the Company on its product portfolio and other opportunities in the Toy markets.

The Board has received a preliminary Strategic Overview and Corporate Strategy Report, which outlines a number of significant opportunities available to the Company for exploitation.

The Report notes that despite the difficult retail condition; the USA Toy markets have suffered minor impact and maintained relative steady sales, demonstrating, once again, the resilience of the key Toy markets, and their potential to facilitate significant business opportunities, despite the worst retail conditions in decades.

The latest BMO Capital Markets Report (USA) recently gave the US Toy Industry (servicing the world's largest Toy market); an "Outperform" Rating.

Over the coming weeks the Company will be conducting a review of its product portfolio with a view to identifying the most valuable opportunities within its legacy product range.

In parallel with that review, an assessment of newly emerging technologies and manufacturing processes will be conducted for potential application to its products.

These newer technologies have the capacity to significantly lower manufacture costs, whilst increasing functionality.

The Company will also be holding meetings with potential manufacturing, distribution and marketing partners based in Hong Kong/China, which is the manufacturing and sales hub for the vast majority of the world's Toy business.

The reviews under way will also include the development of a refined business model which encompasses more direct access to customers, combined with a more streamlined "Virtual" Manufacturing, Logistics, Marketing and Sales structure than was possible when the Company operated as Brainytoys.



ASX Code: **EIO**



A number of functions and services that were previously carried internally can now all be outsourced to substantially lower product development, manufacture and operational costs.

The Report also outlines a number of corporate opportunities that may be activated in the future.

The Company is encouraged by the range of product, technical and corporate opportunities outlined in the Report and will continue to work on evaluating and developing these to fruition.

Reinstatement

The Company is currently in the process of finalising the outstanding audited financial reports and upon completion will be seeking reinstatement to trading on the ASX.

- Ends -

Sean Henbury
Company Secretary

About Energio Limited:

Energio is a toy and gaming development company.

The toy, games and entertainment industry is a very substantial world industry generating an estimated US\$100+ billion in annual sales, with the US market alone in excess of US\$50+ billion in sales.

The Australian toy games and entertainment market is estimated to generate annual sales of approximately \$3 billion.

The toy, games and entertainment markets are in a constant search for innovative products, and are relatively resilient in economic terms, able to ride out most economic down cycles. Energio intends to capitalise on these markets through the development of innovative products.

In addition, Energio will actively seek out complementary and non-complementary assets, investments and businesses that will generate additional shareholder value.