

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

DGI Holdings Limited

ABN

75 105 012 066

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares and unlisted options to be issued under the Prospectus dated 26 October 2012. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | a) Up to 120 million fully paid ordinary shares and up to 60 million unlisted options issued on the basis of 1 free attaching option for every 2 shares held under the First Placement; and
b) Up to 170 million fully paid ordinary shares under the Second Placement. |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares and unlisted options with an exercise price of \$0.01 and an expiry date of 31 December 2014.

The full terms and conditions of the shares and the options are contained in the Prospectus dated 26 October 2012. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Fully paid ordinary shares will rank equally with existing fully paid ordinary shares on issue.</p> <p>No – unlisted options. Shares issued on exercise of the options will rank equally with existing fully paid ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>a) Up to 120 million fully paid ordinary shares to be issued at \$0.001 per share and up to 60 million unlisted options issued for nil consideration under the First Placement; and</p> <p>b) Up to 170 million fully paid ordinary shares issued at \$0.01 per share under the Second Placement.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The funds raised under the First and Second Placement as outlined in the Prospectus dated 26 October 2012 will be used to develop the technology assets retained by the Company post completion of the administration and to investigate new opportunities, which are most likely to be in a different industry to the existing technology. Further details are provided in the Prospectus dated 26 October 2012.</p>
<p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Not applicable.</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>Not applicable.</p>

⁺ See chapter 19 for defined terms.

6c	Number of +securities issued without security holder approval under rule 7.1	Not applicable.
6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable.
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable.
6f	Number of securities issued under an exception in rule 7.2	Not applicable.
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Not applicable.
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable.
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Not applicable.
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	The Closing Date for the First Placement is scheduled for 5.00pm (WST) on 21 November 2012 and the Closing Date for the Second Placement is scheduled for 5.00pm (WST) on 24 November 2012. Despatch of holding statements is expected to occur within 7 days after the respective Closing Date.

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	324,395,540	Fully paid ordinary shares (ASX code: DGI)

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	175,000	Options exercisable at \$2.00 and expiring 24/8/14.
	1,500,000	Options exercisable at \$0.50 and expiring 24/9/12.
	456,500	Options exercisable at \$0.32044 and expiring 9/12/15.
	900,000	Options exercisable at \$0.50 and expiring 15/10/12.
	450,000	Options exercisable at \$0.50 and expiring 15/10/12.
	225,000	Options exercisable at \$0.50 and expiring 30/11/12.
	53,183	Options exercisable at \$0.3537 and expiring 11/3/14.
	57,693	Options exercisable at \$0.27018 and expiring 18/3/14.
	89,318	Options exercisable at \$0.0927 and expiring 8/7/14.
	60,000,000	Options exercisable at \$0.01 and expiring 31/12/15.

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable.
---	-----------------

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	Not applicable.
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the ⁺ securities will be offered	
14	⁺ Class of ⁺ securities to which the offer relates	
15	⁺ Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	

⁺ See chapter 19 for defined terms.

- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) ☒ Securities described in Part 1
NOTE – only fully paid ordinary shares will be quoted securities following reinstatement to trading of the Company's shares on ASX.
- (b) ☐ All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	Not applicable.	
39	Class of +securities for which quotation is sought		
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment		
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)		
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
- Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 26 October 2012
(~~Director~~/Company secretary)

Print name: Susan Hunter

== == == == ==

+ See chapter 19 for defined terms.