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COMPANY ANNOUNCEMENT 1st September 2009

PROPHECY WINS MAJOR basis2 DEAL IN EGYPT

As foreshadowed in its final results announcement for 2008-2009, Prophecy is pleased to announce that in conjunction with Giza Systems, it has secured a major tender for a Billing solution in Egypt. The Holding Company for Water and Wastewater (HCWW) has awarded a major tender to Giza Systems to supply and install a comprehensive Water billing system, being the basis2 system from Prophecy.

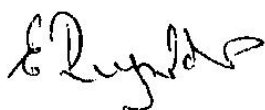
This contract has an initial value of A\$1.5m to Prophecy with potential extensions that may amount to an additional A\$6m over 4 years as more accounts are migrated to the new system over the course of the project.

HCWW was formed in 2004 by Presidential decree and was tasked with the objective of improving the delivery of drinking water and removal of waste water throughout Egypt. The rationalization of water use and the sound handling of wastewater collection systems are national priorities for Egypt, which are now managed by HCWW. HCWW have been building the quality of their team and business processes since inception, by seeking out the best systems and practices that can be found across their business domain. The Prophecy basis2 solution now adds to that growing capability.

Initially some 2,500,000 accounts will be transferred to the new basis2 implementation, but it is expected that the basis2 software will bill some 9,500,000 accounts once the complete implementation has concluded. At the end point of the project, basically all water billing in Egypt will be processed through the basis2 solution. Egypt has a population of some 80 million and these residents are served by 25 water companies that all come under the auspices of the HCWW and they will all be migrated to the new basis2 billing system as part of the extensive project.

This contract has been won in partnership with Giza Systems, an IT company founded in Cairo in 1974. Giza Systems has 550 employees and has conducted major projects throughout Egypt and the Middle East. Giza is a Certified Advantage Partner for Oracle and has expertise in the basis2 underlying technology which will be utilized in this project.

This is a very significant deal for Prophecy as it once again highlights the capabilities and flexibility of our software solutions and their ability to win major transactions on the world stage against world-class opposition solutions. HCWW are now one of the largest water and waste water companies in the world, serving the total population of Egypt. On the back of this significant win, Giza Systems is keen to promote the Prophecy solution throughout the Middle East where they have strong representation and are currently actively marketing the basis2 solution with the knowledge gained from the very significant reference project for HCWW.



Ed Reynolds
Chairman

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