

6 January 2009



To: ASX Limited

ABN: 28 008 949 219

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Fulcrum Equity Limited ACN 008 949 219 ('the **Company**') advises that it has signed a binding Heads of Agreement (the '**Agreement**') with Apsara Capital Pty Ltd ACN 133 895 459 ('**Apsara**') for the sale of certain assets of the Company including its interest in Iridium Holdings LLC (the '**Proposed Transaction**').

Apsara is defined as a substantial holder under ASX listing rule 10.1.3 via its relationship to Walker Trusco Pty Ltd as Trustee for the Walker Family Trust which currently owns 18.54% (rounded) of the Company's shares on issue.

The Proposed Transaction is subject to various conditions precedent, including regulatory, shareholder and other approvals. The directors who own, through various entities, 38.3% (rounded) of the Company's shares on issue, to the maximum extent possible intend to vote their shares in favour of the Proposed Transaction.

It is anticipated that details of the Proposed Transaction will be put to shareholders at a general meeting in late March. A Notice of Meeting including an explanatory memorandum and an independent expert's report will be provided to shareholders in accordance with the relevant statutory and regulatory requirements.

The key terms of the Proposed Transaction are:

Transaction Structure	Asset Sale
Transactions Assets	All assets of Fulcrum excluding its interest in Deep Blue Capital Pty Ltd liquidation
Base Gross Consideration	A\$ 8.1 million (approximate) and subject to any negative adjustments arising from Apsara's continuing due diligence.
Contingent Further Consideration	30% of all proceeds (upon the sale by Apsara of its interest in Iridium) above the Apsara respective proportional interest of the Iridium-GHL transaction equity value of US\$ 460 mm.
Return to Shareholders before tax and contingent liabilities. (amounts are approximates)	<ul style="list-style-type: none">• 0.48 cents per share (rounded) based on 561,885,236 shares currently on issue. The timing of the return to shareholders is outlined below and will be subject to regulatory and other relevant approvals that may be required at the time of distribution. While it is the current intent to distribute the final payment to shareholders, the exact method and timing is yet to be determined and will be subject to receipt of funds from Apsara.• plus contingent return as outlined above.

<p>Settlement Timetable (amounts and timing are approximates)</p>	<ul style="list-style-type: none"> • Prepayments totaling \$4.0 million in Jan 2009 to settle existing creditors including the residual US loan. If Completion does not occur, the prepayments must be repaid. • \$0.3 million to settle remainder of existing creditors on shareholder approval of Proposed Transaction • \$3.8 million payable subject to completion of Iridium-GHL Transaction or upon the sale by Apsara of its interest in Iridium ('Trade Sale'). Timing of the payment is defined as within 3 months of a Trade Sale or within eighteen months of the completion of Iridium-GHL Transaction. The eighteen month period includes a mandatory twelve month lock-up period (for issued shares in the new merged entity) stipulated within the Iridium-Greenhill Transaction documents. Earlier part prepayment of the \$3.8 million is possible subject to certain conditions in respect of the free cash available to Apsara from the initial flow of funds associated with completion of an Iridium-GHL Transaction. <p>Apsara will assume the existing US lenders' secured position in respect of the funds advanced to settle the residual US loan until the Proposed Transaction is approved by shareholders upon which time the liability will pass to Apsara together with title to the interest in Iridium.</p>
<p>Other</p>	<ul style="list-style-type: none"> • A loan facility to enable the Company to continue as a going concern until Completion of the Proposed Transaction. • Management Agreement for the Company to manage Bareena until agreed otherwise or the exercise of certain Put Options to sell back the Bareena Shares in consideration of the Company issuing new shares to it. • Second ranking security over Bareena and Apsara as surety for final payment to shareholders and Covenant. • Conditions precedent ('CP') including, no voting exclusions on shares owned or controlled by the major shareholder; and; and a binding agreement for the settlement of the US loan. • Apsara can elect to terminate the agreement if: <ul style="list-style-type: none"> > there is a material adverse change; > there is a negative due diligence outcome; > relevant CP not satisfied. • The agreement includes an exclusivity arrangement that the Company is bound by until the earlier of either termination of the Agreement or the Completion Date.

Background to the Proposed Transaction:

The Company has been under a forbearance agreement with its US lenders since being issued an Event of Default Notice in May 2008. Under the forbearance agreement, repayment of the US loan was due on or before 31 December 2008.

Several transactions that were estimated to generate approximately \$1.8 million net income to the Company in the second half of 2008 failed to complete.

Furthermore, at the time of entering into the forbearance agreement there were reasonable grounds for assuming an Iridium transaction would complete late in 2008 and subsequently provide significant cash to the Company in early 2009. On 24 September 2008, Iridium Holdings, LLC ('Iridium') and GHL Acquisition Corp. ('GHL') announced the signing of a definitive agreement under which they plan to combine ('Iridium-GHL Transaction'). The transaction is estimated to complete in the second quarter of 2009 and the associated flow of funds are now not expected until the second and/or third quarter of 2009. The shares in the new merged entity that are to be issued to the Company upon completion are subject to a 12 month lock-up arrangement.

In attempting to refinance during 2008, the impacts associated with the distressed state of the Company and the fact that it required refinancing primarily on a foreign based and illiquid asset, were further exacerbated by the global credit crisis and general volatility of the equity markets.

As a result of the above the Company's cash reserves have been fully utilised and free cash from ongoing operations has been, and is likely to continue to be, minimal or highly uncertain.

The Company has been in discussions with various parties, including its US lenders, for the past six months in respect of refinancing the US loan facility and/or selling all or part of its assets (i.e. primarily the interest in Iridium and the wholly-owned Healthpoint subsidiary). All those parties approached had rejected/declined the Company's requests for refinancing and/or proposal for an asset sale.

In early November 2008, the Company and Apsara entered into confidential discussions in respect of the Proposed Transaction. Those discussions led to the Company signing an exclusivity agreement effective until 31 Jan 2009. The discussions continued into December 2008 ultimately leading to the signing of the HoA for which the key terms are outlined on the previous page.

After due consideration of the terms of the Apsara offer and the following:

- the lack of interest from the numerous parties approached for the refinancing of the US loan and/or asset sale proposals; and
- the remaining uncertainty in respect of the timing and amount of the Iridium-GHL transaction, which has still to be approved by GHL shareholders; and
- the lack of immediate internally generated cash available to the Company to continue as a going concern; and
- the fact that the Company requires approximately A\$ 6 million to meet the Company's existing debts including the repayment of the US loan and additional working capital requirements through to completion of an Iridium-GHL transaction;

the directors believe the Apsara offer is in the best interests of shareholders and other stakeholders of the Company and therefore intends to recommend the Proposed Transaction to shareholders.

Apsara Capital Pty Limited is being advised by Rockwell Bates Lawyers in relation to the Proposed Transaction.

For further information on the Proposed Transaction please contact:

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