

2 MARCH 2010

## STATEMENT TO THE AUSTRALIAN STOCK EXCHANGE

### Further information relating to Appendix 4D

Further to the lodgement of the Appendix 4D by Byte Power Group Limited (ASX: BPG), the Company would like to provide more comprehensive information specifically in relations to the ability of the Company to achieve the following:

- The Company has the continued support of its major creditors and has the benefit of loans from the major shareholders on favourable terms. The Company currently has debts of A\$5,552,803 of which \$3,379,781 is current and \$2,173,022 is non-current. Of this amount some \$3,370,828 or 61% of the total is owed to APEL Family Trust and its associates, which collectively hold approximately 45% of the company. They have agreed to extend at least 80% of the amount owing until such time that the Company is able to trade profitably from its current and planned business operations on a sustained basis or successfully raised the funds required. APEL Family Trust and its associates have also continued to extend such loans for the repayment of other creditors and working capital, on the same basis.
- The Company continues to explore the possibility of securing an overdraft or working capital facility on appropriate commercial terms to assist the consolidated entity in accelerating the roll-out of its kiosks in China. Such facility will be targeted upon the completion of the purchase of the 60 kiosks announced on 10 Feb 2010.
- The Company continues to discuss with various parties proposals to invest in the Company through equity placements or convertible loans to address its cashflow requirements. The Company has recently closed a round of placements for A\$80,000 as announced to the market on 28 Jan 2010. The Board believes that the recently announced proposed kiosk acquisitions in China, supplementing the existing kiosk facilities operated by the Group, will underpin the Company's efforts to complete further raisings in conjunction with closing of the acquisitions.
- In relation to the generation of future profits by the underlying businesses, the Company believes its trading business is targeting to see stronger revenue returns in the near term. In the case of the existing China kiosk business, the recent proposed acquisition and a new management team in China is targeted to provide the Company with the benefits from the synergies arising from operating kiosks on a much larger scale as well as the critical mass to negotiate with advertisers to generate increased revenue and potential profits.

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