

22 October 2013

Elvis Onyura
Senior Adviser, Listings Compliance
ASX Compliance
20 Bridge Street
Sydney NSW 2000

By Email: elvis.onyura@asx.com.au

Dear Mr Onyura

Mobile Embrace Limited (Company) re: Aware Query

We refer to your letter of 18 October 2013 relating to the Company's announcement made on 14 October 2013 (**Announcement**).

In answer to your specific questions:

1. Yes.
2. Not applicable.
3. No earlier than the evening (after close of trading) of Friday 12 October 2013.
4. The Company was "aware" of the Information no earlier than Friday 12 October 2013 (after close of trading) and the Announcement was made before any trading in the Company's shares on the morning of 14 October 2013. That is, there was no trading in the Company's shares between the time the Company became aware of the Information and the making of the Announcement. The raw accounting data is received over a period of time. That data needs to be processed, checked and subjected to the appropriate accounting standards. It is then very promptly submitted to the Board for consideration before final adjustments are made and the announcement prepared.

Even if the Company can be said to be "aware" of the "information" which was the subject of the Announcement (**Information**) at the start or part way through that process (which we do not believe is correct), that information is without doubt subject to the exception in Listing Rule 3.1A, as it is, in addition to being confidential, comprising of matters insufficiently definite to warrant disclosure.

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Question 4 Continued:

In relation to the Announcement and the Information:

(a) The above month end process started on the 3 October 2013 when the data for the month end of 31 September 2013 started to become available. We rely on revenue reports from Telecommunication carriers which usually are available between 5 and 14 days from the end of the month. The above month end process for all relevant purposes was completed on the evening (after close of trading) of Friday 12 October 2013 when the relevant accounting results were finalised.

(b) The Announcement was drafted and finalised during a meeting of the Company's CEO and CFO on Sunday 13 October 2013.

5. We confirm that the Company is in compliance with the ASX Listing Rules and, in particular, Listing Rule 3.1.

Yours faithfully,
Mobile Embrace Limited

A handwritten signature in black ink, appearing to read 'Simon Allison', written over a faint circular stamp.

Simon Allison
Company Secretary

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18 October 2013

Mr Simon Allison
Chief Financial Officer & Company Secretary
Mobile Embrace Limited
Level 10
100 William Street
East Sydney NSW 2010

By email

Dear Mr Allison,

Mobile Embrace Limited (the "Company"): ASX aware query

ASX Limited ("ASX") refers to the following:

1. The Company's announcement entitled "Mobile Embrace Ltd Q1 FY2014 Trading Update" lodged with ASX Market Announcements Platform and released at 9:21 a.m. on Monday, 14 October 2013 (the "Announcement"), disclosing highlights of the Company's unaudited first quarter results for financial year 2014.
2. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
3. The definition of "aware" in Chapter 19 of the Listing Rules. This definition states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information"*.

4. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*

- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

5. ASX's policy position on the concept of "confidentiality" which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "Listing Rule 3.1A.2 – the requirement for information to be confidential"*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Company consider the information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. If the answer to question 1 is "yes", when did the Company first become aware of the information?
4. If the answer to question 1 is "yes" and the Company first became aware of the information before the relevant date, did the Company make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Company was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Company took to ensure that the information was released promptly and without delay.
5. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9.30 a.m. AEDT on Wednesday, 23 October 2013. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by a return e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

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Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Company to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Elvis Onyura
Senior Adviser, Listings Compliance (Sydney)