

4 December 2015

ASX ANNOUNCEMENT

Australian Securities Exchange
Company Announcements Platform

ISSUE OF UNLISTED OPTIONS

Mobile Embrace Limited (**MBE** or **Company**) has today issued a total of 14,500,000 unlisted options (with an effective issue date of 27 November 2015) to acquire ordinary shares with vesting criteria, vesting dates across three and five years, and exercise prices.

11,500,000 of the options are issued pursuant to the Company's recently approved Performance Rights and Option Plan and are aimed at retaining and incentivising certain key staff within the Company whose performance has been, and will continue to be, critical to the success of Mobile Embrace and its newly acquired businesses.

The terms of the options have been resolved upon the basis of providing appropriate short and long term incentives to ensure maximum performance. The remaining 3,000,000 options have been issued to various consultants who have assisted the Company in securing and delivering upon its recent transactions.

JUSTIN CLYNE

Company Secretary

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, 04/03/13

Name of entity

ABN

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	(i) Unlisted Options. (ii) N/A. Vesting of Unlisted Options.
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	(i) 14,500,0000. (ii) N/A. vesting of 2,500,000 options previously issued.
3	Principal terms of the +securities (e.g. 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)	(i) As per Annexure "A" herewith. (ii) Vesting of the 1 st of 3 tranches of options to Directors as approved by shareholders at the Company's 2014 AGM.
4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state the: <ul style="list-style-type: none">• date from which they do• extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	(i) No. (ii) No.
5	Issue price or consideration	(i) Nil. (ii) N/A

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6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	(i) As per Annexure "A". (ii) Approved by shareholders at the Company's 2014 AGM.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b-6h in relation to +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	19 November 2015
6c	Number of +securities issued without security holder approval under rule 7.1	13,891,999
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	7,500,000 options (2012 AGM) 8,900,000 options (2012 AGM) 3,000,000 options (19 November 2015 AGM)
6f	Number of +securities issued under an exception in rule 7.2	30,900,000
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.	N/A
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	N/A
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	7.1 = 43,629,265 7.1A = 38,347,509 Total = 81,976,774
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	N/A

	Number	+Class
8	396,069,763	MBE Fully Paid Ordinary Shares including 4,594,665 Shares escrowed until 10 June 2016, and 4,000,000 Shares escrowed until 1 October 2016.

	Number	+Class
9	2,297,334	Options exercisable at \$0.39 and expiring 10 June 2017
	100,000	MBEAJ Employee Performance Rights
	1,670,000	MBEAK Employee Performance Rights
	700,000	MBEAO Employee Performance Rights
	13,500,000	MBEAQ Employee Options
	6,400,000	Employee Performance Rights expiring 1 September 2017
	2,500,000	Employee Performance Rights expiring 2 February 2018
	3,000,000	Unlisted Options (issued 30.11.15 exercisable at \$0.2789)
	14,500,000	Unlisted Options in accordance with Annexure "A" herewith.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A

15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
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	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.
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- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Issue 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
- (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

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought

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<p>40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state the:</p> <ul style="list-style-type: none"> • date from which they do • extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>N/A</p>				
<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	<p>N/A</p>				
<p>42 Number and +class of all +securities quoted on ASX (including +securities in clause 38)</p>	<table border="1"> <thead> <tr> <th style="text-align: center;">Number</th> <th style="text-align: center;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">N/A</td> <td></td> </tr> </tbody> </table>	Number	+Class	N/A	
Number	+Class				
N/A					

Quotation agreement

- +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 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.
- 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.
- We give ASX the information and documents required by this form. If any information or document is not available now, we 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.

Justin Clyne.

Sign here: (Company secretary)

Date: 4 December 2015

Print name: Justin Clyne

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	377,835,098 (refer Appendix 3B lodged 28 November 2014)
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<u>Under a LR 7.2 Exception:</u> 5,640,000 (refer Appendix 3B's lodged 3 July 2015 and 23 September 2015 each pursuant to Listing Rule 7.2 exception 4)
“A”	383,475,098
Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	57,521,264

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Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>13,891,999 (refer Appendix 3B's lodged 10 June 2015, 2 October 2015)</p>
“C”	13,891,999
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p>Note: number must be same as shown in Step 2</p>	57,521,264
<p>Subtract “C”</p> <p>Note: number must be same as shown in Step 3</p>	13,891,999
<p>Total [“A” x 0.15] – “C”</p>	<p>43,629,265</p> <p>[Note: this is the remaining placement capacity under rule 7.1]</p>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
<p>“A”</p> <p>Note: number must be same as shown in Step 1 of Part 1</p>	383,475,098
Step 2: Calculate 10% of “A”	
<p>“D”</p> <p>Note: this value cannot be changed</p>	<p>0.10</p>
<p>Multiply “A” by 0.10</p>	38,347,509

Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</p> <p>Notes:</p> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	0
“E”	0
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
<p>“A” x 0.10</p> <p>Note: number must be same as shown in Step 2</p>	38,347,509
<p>Subtract “E”</p> <p>Note: number must be same as shown in Step 3</p>	0
<p>Total [“A” x 0.10] – “E”</p>	<p>38,347,509</p> <p>Note: this is the remaining placement capacity under rule 7.1A</p>

Annexure "A" to Appendix 3B lodged 4 December 2015

Expiry Date <i>(Note: Expiry date is from issue date not vesting date)</i>	Exercise Price	Vesting Date, Criteria & Number of Options	Vesting Date, Criteria & Number of Options	Vesting Date, Criteria & Number of Options	Total Maximum Number of Options
5 year	\$0.2789	1 December 2018 2,200,000	1 December 2019 2,200,000	1 December 2020 2,100,000	6,500,000
3 years	\$0.3900	26 November 2016 300,000	26 November 2017 300,000	26 November 2018 400,000	1,000,000
3 years	\$0.3200	15 July 2016 EBTDA criteria 1 only – 545,455 options vest	15 July 2017 EBTDA criteria 1 only - 666,667 options vest	15 July 2018 EBTDA criteria 1 only – 787,878 options vest	
		EBITDA criteria 2 – 1,076,067 options vest <i>(which includes the 545,455 options from criteria 1)</i>	EBITDA criteria 2 – 1,319,728 options vest <i>(which includes the 666,667 options from criteria 1)</i>	EBITDA criteria 2 – 1,604,205 options vest <i>(which includes the 787,878 from criteria 1)</i>	4,000,000
3 years	\$0.2789	Target Share Price of \$0.39 250,000 options	Target share price of \$0.55 250,000 options	Target share price of \$0.75 500,000 options	1,000,000
3 years	\$0.3900	26 November 2016 600,000 options	26 November 2017 600,000 options	26 November 2018 800,000	2,000,000

+ See chapter 19 for defined terms.

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