

9 June 2006

The Manager
Company Announcements
The Stock Exchange of Newcastle Limited
384 Hunter Street,
Newcastle Australia

Jab Enters Into Agreement to Acquire WebTraf Companies

Jab Technologies announces that the company has entered into an agreement to acquire at least 80% and up to 100% of the issued capital of Ovation Software Limited ("Ovation").

Through its acquisition of Ovation, Jab will acquire an 80% to 100% controlling interest in Webtraf Pty Ltd and Webtraf Research Pty Ltd. (collectively "Webtraf").

Webtraf develop and market the proprietary software known as "GateHouse" which is a world first technology providing automated internet traffic management, security and billing. The technology, sold principally as a managed service, is targeted towards government, education and hospitality groups seeking **network bandwidth sharing** with improved quality of service.

The product is unique in the market place, and has patents approved in the UK, Australia and New Zealand and patents pending in eleven other countries including the USA and China.

The gatehouse product is currently installed and operating successfully. The organisations that have evaluated and approved Gatehouse for installation include the Comfort Inn, Wide bay TAFE, Bundaberg Port Authority and Sarina Shire council.

Following successful test marketing in Australia, Jab intends to build revenues initially from the local government, education and hospitality sectors (hotel, motel and managed property groups).

Of particular interest to Jab are the opportunities potentially available to enter high value specialist vertical markets through sale of Gatehouse technology extensions. Recently, Webtraf signed a joint venture with Amcor Ltd, the 3rd largest packaging company in the world, to develop additional functionality to the core product.

Terms of the Agreement

Under the agreement with Ovation, Jab will issue to each accepting Ovation shareholder two JAB shares in exchange for each one (1) of the accepting shareholder's shares in Ovation.

The agreement is subject to a number of conditions including:

- i) satisfactory due diligence;
- ii) shareholder approval for this issue of Jab shares to Ovation shareholders; and
- iii) JAB raising, under its current Offer Information Statement dated 15 May 2006, at least \$300,000 plus the value of the costs to be reasonably incurred by it in performing its obligations under the agreement.

Jab's Acquisition Strategy

Following on from the recent launch of Jab's EZBiz service, the Webtraf acquisition is an important step in Jab's e-business automation strategy. Webtraf will further broaden the appeal of Jab's e-services and strengthen its revenue streams as internet based business services continues to grow worldwide.

Offer Information Statement

Jab intends to extend the closing date under its current Offer Information Statement, and intends to lodge and distribute a Supplementary Offer Information Statement shortly.

Further information can be obtained by contacting Jab Technologies.



Stephen Ioannides
Chief Executive Officer
Jab Technologies Limited

REQUIRE MORE DETAILS ?

- Call (07) 3367 8900 during business hours.
- Download Offer Information Statement at **www.jabtechnologies.com.au**
- Email enquiries@jabtechnologies.com.au