



AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED

ACN 109 469 383

Notice of Extraordinary General Meeting and Explanatory Statement

The Extraordinary General Meeting of shareholders

will be held at

2:00 pm on Thursday, 27 June 2013

at

Suite 1401, Level 14, The Rocket

203 Robina Town Centre Drive

Robina QLD 4230

This Notice of Extraordinary General Meeting and Explanatory Statement should be read in its entirety. If you are in doubt as to how to vote, please seek advice from your accountant, solicitor or other professional adviser prior to voting.

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ACTION REQUIRED BY SHAREHOLDERS

Step 1:

Read the notice of Extraordinary General Meeting, the Explanatory Statement and Independent Expert's Report in full. The Explanatory Statement sets out details in relation to the resolutions. This information is important. The Independent Expert's Report has concluded that the transactions contemplated by the resolutions are fair and reasonable.

Step 2:

Vote on the resolutions. Your vote is important. You may cast your vote by:

1. attending and voting at the meeting to be held at Suite 1401, Level 14, The Rocket, 203 Robina Town Centre Drive, ROBINA, QLD, 4230 at 2:00 pm on Thursday, 27th June 2013; or
2. completing and returning the enclosed proxy form. The proxy form must be received by the Company's registry, Boardroom Pty Limited no later than 2:00 pm on Tuesday 25th June 2013.

The directors (other than Mr Christopher Tyrrell) unanimously recommend that you vote in favour of each of the resolutions.



AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED

ACN 109 469 383

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of shareholders of AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED ("Company") will be held at Suite 1401, Level 14, The Rocket, 203 Robina Town Centre Drive, ROBINA, QLD, 4230 on Thursday 27th June 2013 at 2:00 pm.

The Explanatory Statement and Independent Expert's Report which accompany and form part of this Notice of Extraordinary General Meeting describe the various matters to be considered by shareholders.

A voting exclusion statement is contained in the Explanatory Statement.

ITEMS OF BUSINESS

Resolution 1 – Issue of shares to Nehemiah Interests LLC and issue of options to US Platform Development Group LLC

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That, for the purposes of section 611 (item 7) of the Corporations Act 2001 (Cth), NSX Listing Rule 6.25 and for all other purposes, the issue of:

- (a) 29,142,250 ordinary shares at an aggregate issue price of \$626,698 (approximately 2.15 cents per ordinary share) to Nehemiah Interests LLC;*
- (b) 28,900,000 options with an exercise price of 3.69 cents per option and a term of 5 years ("Options") to US Platform Development Group LLC; and*
- (c) up to 28,900,000 ordinary shares to US Platform Development Group LLC on exercise of some or all of the Options,*

on the terms described in the Explanatory Statement accompanying this notice be approved.

Resolution 2 – Amendment of Constitution to reduce the maximum number of directors to 5 and permit overseas directors to receive notices of board meetings

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

That:

- (a) clause 19.1 of the Constitution of the Company be amended to read:*

"The number of the Directors must not be less than 3, nor more than 5."

and

- (b) clause 25.5 of the Constitution of the Company be amended by deleting the words "then in Australia".*

Resolution 3 – Amendment of Constitution to allow appointment of one director by Nehemiah Interests LLC or transferee

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

That the Constitution of the Company be amended by adding the following new definitions in clause 1.1 (where they belong alphabetically) and the following new clause 19.6 (and renumbering the existing clauses 19.6 and 19.7 to 19.7 and 19.8 accordingly):

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Affiliate means any person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, another person. By way of example, and without limiting the foregoing, a person will be deemed to control another person for the purposes of this definition, if the first such person possesses, directly or indirectly, the power to:

- appoint a majority of the directors of the second person; or
- otherwise direct or cause the direction of the management or policies of the second person,

whether through the ownership of voting securities, by contract or otherwise.

Nehemiah Director means a person appointed under clause 19.6.

Nehemiah Shareholder means Nehemiah Interests LLC, or any person to which it transfers all of its Shares.

USPDG means US Platform Development Group LLC.

19.6 Appointment and removal of Director by Nehemiah Interests LLC

- (a) The provisions of this clause 19.6 apply notwithstanding any other clause of this Constitution.
- (b) At any time while any or all of USPDG, the Nehemiah Shareholder or their Affiliates have (or would have) a legal or beneficial interest in aggregate in 10% or more of the total Shares (to be calculated on the basis that all options over Shares have been notionally exercised and the corresponding number of Shares issued to the option holder), the Nehemiah Shareholder has the unqualified right to appoint one person to the Board in accordance with this clause 19.6, together with any replacement for that person where he or she has been removed by the shareholders of the Company, has resigned, has not, having retired by rotation, been re-elected or has otherwise ceased to be a Director.
- (c) The Nehemiah Shareholder may at any time request the Company to nominate a candidate for appointment as a Director at the next annual general meeting of the Company. Any such request must be in writing, include the full name of the proposed candidate and attach a consent signed by the proposed candidate.
- (d) The Company must procure that the person named in a request given to the Company in accordance with clause 19.6(c) is appointed by the Board as an additional Director (or to fill a casual vacancy, if applicable) promptly following receipt of the request, in accordance with this Constitution.
- (e) The Company must procure that the person appointed as a Director under clause 19.6(d), or such other person as the Nehemiah Shareholder may specify, is nominated for appointment as a Director at the next general meeting of the Company following the appointment and at each subsequent general meeting at which that person stands for election or re-election and must procure that the Board supports and unanimously (excluding that person, if they are then a Director) recommends that shareholders vote in favour of the election or re-election of that person, unless:
 - (i) the Board reasonably believes, having obtained written external legal advice, that it would be in breach of the Directors' fiduciary duties; or
 - (ii) the Nehemiah Shareholder provides written notice to the Company instructing the Company and the Board not to support the election or re-election.

(For the purposes of this clause 19.6(e), Mr Christopher Patrick Tyrrell, a Director in office at the time this clause 19.6 takes effect, will be regarded as having been appointed a Director under clause 19.6(d).)
- (f) The Nehemiah Shareholder may not nominate a person under clause 19.6(c) or 19.6(e) if that person has been removed, or, having retired by rotation, has not been re-elected as a Director at a general meeting of the Company, but may nominate another person in his or her place.
- (g) If a resolution to remove a Nehemiah Director is passed at a general meeting of the Company or the Nehemiah Director resigns or otherwise ceases to hold office, the Nehemiah Shareholder may request the Company to appoint a replacement in accordance with this clause 19.6. The Company must comply with any such request.
- (h) The Company must at all times ensure that a sufficient vacancy exists on the Board to permit the Nehemiah Shareholder to exercise its rights under this clause 19.6.

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VOTING AND MEETING INSTRUCTIONS *Voting Exclusion Statement*

The Company will disregard any votes cast on the Resolutions by or on behalf of Nehemiah Interests LLC, US Platform Development Group LLC or any of their Associates.

The Company, however, need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the chairperson of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Associate is defined in section 9 and in this Explanatory Statement has the meanings given in sections 11, 12 and 15 of the *Corporations Act 2001* (Cth) ("Corporations Act").

Voting by Proxy

A Proxy Form accompanies this notice.

(a) Right to appoint - Each shareholder entitled to attend and vote at the meeting has the right to appoint a proxy to attend and vote for them. For the purpose of determining voting and attendance entitlements, shares will be taken to be held by the persons who are registered as holding the shares at 7:00pm on Tuesday 25 June 2013. Accordingly, transfers of shares registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

(b) Two proxies - To enable a shareholder to divide their voting rights a shareholder may appoint two proxies. Where two proxies are appointed:

- i) a separate Proxy Form should be used to appoint each proxy; and
- ii) each Proxy Form should specify the proportion, or the number of votes that the proxy may exercise, and if it does not do so each proxy may exercise half of the votes. Fractions of votes will be disregarded.

(c) Who may be a proxy - A shareholder can appoint any other individual or body corporate to be their proxy. A proxy need not be a shareholder of the Company. The proxy appointed can be described in the Proxy Form by an office held, for example, "the Chair of the Meeting".

(d) Signatures of individuals - In the case of shareholders who are individuals, the Proxy Form must be signed:

- i) if the shares are held by one individual, by that shareholder, or
- ii) if the shares are held in joint names, by all shareholders.

(e) Signatures on behalf of companies - in the case of shareholders who are companies, the Proxy Form must be signed:

- i) if the company has a sole director who is also sole company secretary, by that director (and that fact must be stated next to, or under, the signature on the Proxy Form), or
- ii) in the case of any other company, either by two directors or by a director and company secretary (indicating the office held by signing in the appropriate place indicated on the Proxy Form).

The use of the common seal of the company, in addition to those required signatures, is optional.

(f) Other authorised person - If the person signing the Proxy Form is doing so under power of attorney, or is an officer of a company outside of (e) above but authorised by the company to sign the Proxy Form, the power of attorney or other authorisation (or a certified copy of it), as well as the Proxy Form, must be received by the Company's registry, Boardroom Pty Limited by the times and date at the place in (g) below.

(g) Lodgement place and deadline - To be effective, Proxy Forms (duly completed and signed) must be received by the Company's registry, Boardroom Pty Limited no later than 2:00 pm on Tuesday 25 June 2013. Proxies may be lodged:

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- i) by hand to Share Registry – Boardroom Pty Limited, Level 7, 207 Kent Street, Sydney NSW 2000, Australia, or
- ii) by post to Share Registry – Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001, Australia or
- iii) by facsimile to +61 2 9290 9655.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read 'S. Williams', written in a cursive style.

Susan Williams
Company Secretary
AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED
27 May 2013



AUSTRALIAN SMALL SCALE OFFERINGS BOARD LIMITED

ABN 109 469 383

EXPLANATORY STATEMENT

The purpose of this Explanatory Statement is to provide shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Extraordinary General Meeting ("Notice"). This Explanatory Statement should be read in conjunction with the Notice. Capitalised terms used in this Explanatory Statement and not otherwise defined have the meanings given in section 9 of the Corporations Act.

Resolution 1 – Approval of issue of shares and options

Subscription Agreement

On 22 May 2013, the Company entered into a subscription agreement with US Platform Development Group LLC ("USPDG") ("Subscription Agreement"), under which the Company agreed to issue:

- 7,407,750 ordinary shares ("Tranche 1 Shares") to Nehemiah Interests LLC ("Nehemiah"), as nominee for USPDG, at an aggregate issue price of \$159,302 (approximately \$0.0215 per share); and
- subject to shareholder approval and satisfaction of other conditions described below, a further 29,142,250 ordinary shares ("Tranche 2 Shares") at an aggregate issue price of \$626,698 (approximately \$0.0215 per share) to Nehemiah and 28,900,000 options over ordinary shares ("Options") to USPDG. The Options have an aggregate exercise price of \$1,065,000 (approximately \$0.0369 per Option) and a term of 5 years.

The Tranche 1 Shares were issued to Nehemiah on 22 May 2013 and the Company has received the aggregate subscription price of \$159,302. Completion of the issue of and subscription for the Tranche 2 Shares and the Options is subject to a number of conditions, including:

- a) the Company's shareholders approving the Resolutions;
- b) required regulatory consents and approvals, including from the NSX, being obtained;
- c) completion by USPDG of commercial, accounting, tax and legal due diligence to its satisfaction;
- d) the Company complying with its obligations under, and not breaching any warranty given by it, in the Subscription Agreement;
- e) the Company and USPDG entering into a joint venture agreement on terms satisfactory to USPDG (described below); and
- f) no material adverse changes in relation to the Company occurring or becoming known after the date of the Subscription Agreement.

Other key terms of the Subscription Agreement are as follows.

- (a) While USPDG, Nehemiah or an affiliate of either of them has a legal or beneficial interest in aggregate in 10% or more of the Company's ordinary shares:
 - (1) Nehemiah has the right to appoint one director to the Company's board;
 - (2) Nehemiah is entitled to receive from the Company certain information concerning the Company's affairs, financial position and prospects; and
 - (3) the Company will be subject to certain restrictions in the conduct of its business. In particular, the Company must not take specified actions without the prior written consent of USPDG, including issuing securities, paying, declaring or resolving to pay dividends, proposing any resolution to amend the Constitution, altering the Company's capital or materially altering the nature or scale of its business, disposing of all or a substantial

part of its business or any intellectual property assets, altering its debt financing arrangements, incurring material capital expenditure or acquiring or disposing of material assets or merging with or acquiring another entity.

- (b) During the period from 22 May 2013 until completion of the issue of the Tranche 2 Shares and the Options, the Company is required to conduct its business in the ordinary course and to provide USPDG with information in relation to the Company and its subsidiaries that USPDG may reasonably require. During that period it may not do any of the things noted in paragraph (a)(3) without USPDG's prior written consent and may not do anything which would be likely to result in a breach of the warranties it gives under the Subscription Agreement.
- (c) The Company provides USPDG with a series of warranties in respect of its investment. The Company may be exposed to liability if it breaches any of these warranties.
- (d) The Company must use part of the subscription price for the Tranche 2 Shares to pay the reasonable out of pocket costs of USPDG and its affiliates in connection with the transactions contemplated by the Subscription Agreement, the Option terms and the Licence Agreement, estimated at A\$168,000, not including any expenses associated with the Joint Venture.
- (e) USPDG is entitled to the opportunity to participate (either itself or via participation by an affiliate) in any issue of ordinary shares or other securities by the Company on a pro rata basis to Nehemiah's holding of ordinary shares (calculated assuming that all Options have been notionally exercised). This means that USPDG's percentage stake in the Company is protected from dilution.
- (f) For so long as the Options remain on issue, the Company must use its best endeavours to obtain and keep in place and effective all consents and approvals that are necessary to allow for the exercise of the Options and the issue of ordinary shares on exercise.

On 22 May 2013, the Company and ASSOB Pty Ltd, a subsidiary of the Company, also entered into a Licence Agreement with USPDG and a term sheet in respect of a proposed joint venture between the Company and USPDG. The key terms of those documents are set out below.

Licence Agreement and proposed Joint Venture

The Licence Agreement provides for the exclusive license by the Company of its platform with USPDG for use in the United States pursuant to which the Company will earn a royalty on net revenue invoiced and received by USPDG as payment for equity capital raised by issuers listed on the platform by USPDG.

The Company and USPDG also agreed to negotiate definitive joint venture agreements whereby the Company and USPDG will create a joint venture ("Joint Venture") to identify sub-licensees of the Company's platform in territories around the world (other than Australia and the United States), negotiate sub-license agreements for the platform, manage those sub-licenses, and market the platform globally. The Company will exclusively license its platform to the joint venture for those purposes on a royalty free basis. After invested capital and a 10% per annum (compounded monthly) preferred return has been returned by the joint venture to each of the Company and USPDG:

- (a) up to 20% of the Joint Venture's distributable cash will be available for distribution in respect of management services to be provided to the Joint Venture; and
- (b) the remaining portion of distributable cash will be available for distribution to the Company and USPDG, with each receiving half.

The directors (other than Mr Christopher Tyrrell) negotiated the terms of the Subscription Agreement, the Options, the Licence Agreement and the proposed Joint Venture term sheet and consider those terms to be reasonable and arm's length.

Resolution 1 therefore seeks the approval of the Company's shareholders for Nehemiah to acquire 29,142,250 newly issued ordinary shares for an aggregate subscription price of \$626,698 (being approximately \$0.0215 per share), and its Associate, USPDG to acquire 28,900,000 Options (and consequently the ordinary shares issued on exercise of the Options). The Options have an issue price of nil, an aggregate exercise price of \$1,065,000 (being approximately \$0.0369

per share) and a 5 year term. The Tranche 1 Shares, the Tranche 2 Shares and any shares issued on exercise of the Options are or will be quoted. The Options will be unquoted.

Shareholder approval is required under Listing Rule 6.25 for the Company to issue securities equivalent to more than 15% of its capital in a 12 month period. Accordingly, the issue of the Tranche 2 Shares and the Options requires the approval of the Company's shareholders.

Shareholder approval under item 7 of section 611 of the Corporations Act is also required in respect of the issue of the Tranche 2 Shares and shares to be issued on exercise of the Options, because the issue of the Tranche 2 Shares in the first instance and of ordinary shares on exercise of the Options in the second, will result in Nehemiah and its Associate, USPDG, acquiring a relevant interest in securities which will cause their voting power in the Company to increase from below 20% to more than 20%.

Section 611(7)

In accordance with item 7 of section 611 of the Corporations Act and the Australian Securities and Investments Commission (**ASIC**) Regulatory Guide 74, a summary of information about the acquisition that is material to the decision on how to vote on the Resolution, is provided as follows:

1. The Tranche 2 Shares will be issued to Nehemiah, a Delaware Corporation, of 16 Vandeventer Avenue, Princeton, New Jersey, 08542, USA. The Options and shares issued on exercise of the Options will be issued to USPDG, a Delaware Corporation, of 103 Carnegie Center, Suite 300, Princeton, New Jersey, 08540, USA. Christopher Tyrrell, a Manager of Nehemiah and an indirect owner of USPDG is a director of the Company. Under US law, a Manager has a similar role to a director of an Australian company. Nehemiah is wholly owned by Nehemiah Investments LLC, which is owned by Mr Sean M. Fieler. Nehemiah is also the co-owner of Princeton Venture Partners LLC, the sole owner of USPDG. The other 50% co-owner of Princeton Venture Partners LLC is Tyr Interests LLC. Mr Christopher Tyrrell is the sole owner of Tyr Interests LLC, Manager of Nehemiah Interests LLC and Nehemiah Investments LLC and President of US Platform Development Group LLC. Nehemiah and USPDG have no other Associates.
2. At the date of this notice, Nehemiah holds 7,407,750 ordinary shares, representing 4.99% of the current voting power in the Company. It is proposed to issue a further 29,142,250 ordinary shares to Nehemiah and 28,900,000 Options to USPDG. Accordingly, the maximum extent of the increase in Nehemiah, USPDG and their Associates' voting power in the Company that would result from the acquisitions would be an increase of 26.70% (comprising a 15.58% increase in respect of the 29,142,250 shares and an 11.12% increase in respect of the 28,900,000 Options, if the Options are exercised).
3. The maximum voting power that Nehemiah, USPDG and their Associates would have as a result of the acquisitions would be 20.57% in respect of the 36,550,000 ordinary shares they would hold and, if all of the Options are exercised, 31.69% as a result of them then holding 65,450,000 ordinary shares.
4. The reasons for the proposed acquisition are to provide capital for the Company to undertake platform development to enable brokers and dealers to self manage capital raisings.
5. The proposed acquisition of the Tranche 2 Shares and the Options will occur following satisfaction of the conditions to the Subscription Agreement described above, currently expected to occur on or around 27 June 2013.
6. The material terms of the proposed acquisition of the Tranche 2 Shares and the Options are set out in the summary of the Subscription Agreement above. Details of other relevant agreements (being the Licence Agreement and the proposed Joint Venture) are also described above.
7. Nehemiah and USPDG have advised the Company that their intentions regarding the future of the Company are to provide growth capital for the Company and allow it to license its platform for deployment in the United States through USPDG and globally through a joint venture between ASSOB and USPDG. This is also Nehemiah's and USPDG's intention for ASSOB. These intentions represent an expansion of ASSOB's current business, which is presently limited to Australia and does not include the licensing of the ASSOB platform to third parties. Nehemiah

and USPDG have further advised the Company that, as at the date of this Explanatory Statement, they have no intention to:

- a. appoint an additional director to the Company (noting that Mr Christopher Tyrrell was appointed as a director pursuant to their request and that they will hold the rights the subject of Resolution 3);
 - b. change the business of the Company;
 - c. inject further capital into the Company;
 - d. make any changes to the employment of the present employees of the Company;
 - e. transfer any property between the Company and Nehemiah, USPDG or any of their Associates;
 - f. otherwise redeploy the fixed assets of the Company; or
 - g. change the financial or distribution policies of the Company,
- in each case, other than as contemplated by this Explanatory Statement or documents referred to in it.
8. The acquisition of the Tranche 2 Shares, if approved by shareholders, will be completed on or around 27 June 2013. The acquisition of further shares upon exercise of Options could occur at any time within their 5 year term.
 9. Mr Christopher Tyrrell, a director of the Company, has an interest in the acquisition by reason of being a Manager of Nehemiah and holding an indirect ownership interest in USPDG.

Mr Tyrrell has more than 15 years' experience in entrepreneurship, technology and capital markets, having managed and founded several private technology companies and been involved in over \$20 billion of financing transactions. He has an extensive legal and financial background, including experience at the Wall Street law firm of Cadwalader, Wickersham & Taft in their corporate finance department.

Independent Expert's Report

An Independent Expert's Report has been attached to and forms part of this Notice of Extraordinary General Meeting. Shareholders should read the Independent Expert's Report to assist in deciding how to vote on the Resolutions. The Independent Expert's Report concludes that the proposed transaction is fair and is reasonable to shareholders.

Recommendation

The Board recommends that shareholders vote in favour of Resolution 1.

Resolution 2 – Amendment of Constitution to reduce maximum number of directors to 5 and permit overseas directors to receive notice of board meetings

Clause 19.5 of the Company's Constitution currently provides that the minimum number of directors is 3 and, unless the Company determines otherwise in general meeting, the maximum number of directors is 10.

If clause 19.5 of the Company's Constitution is amended as proposed by Resolution 2, the maximum number of directors will be 5. The Company currently has 5 directors (including Mr Christopher Tyrrell, appointed at the request of USPDG). No additional directors may be appointed by the directors or the shareholders at a general meeting unless one of the current directors either resigns or is not re-elected by the shareholders at an annual general meeting, or is removed by the shareholders at a general meeting. A smaller maximum number of directors is relevant to the relative degree of influence each exerts, and should enable more efficient governance of the Company.

Clause 25.5 of the Company's Constitution currently provides that only directors who are in Australia are entitled to receive notice of board meetings. Mr Christopher Tyrrell resides in the United States and the amendment is proposed to permit him (and any overseas director who may be appointed by the Company in future) to receive notice of board meetings.

Recommendation

The Board recommends that shareholders vote in favour of Resolution 2.

Resolution 3 – Amendment of Constitution to allow appointment of one Director by Nehemiah Interests LLC or transferee

Nehemiah has invested \$159,302 in the Company by purchasing 7,407,750 newly issued shares, and, if approved by shareholders, will invest a further \$626,698 to purchase an additional 29,142,250 newly issued ordinary shares and 28,900,000 newly issued Options over ordinary shares. If Nehemiah exercises all of its Options it will invest a further \$1,065,000 into the Company, comprising the aggregate exercise price for the Options, and will on exercise acquire an additional 28,900,000 ordinary shares. The total investment by Nehemiah into the Company will therefore be a minimum of \$786,000 and a maximum of \$1,851,000. To protect its significant investment in the Company, the Company and Nehemiah have agreed, under the Subscription Agreement, that the Company will propose to amend its Constitution to give Nehemiah the right to nominate one person to be a director of the Company while it and its Associates hold at least 10% of the voting power in the Company (calculated on the assumption that all of the Options are exercised).

Recommendation

The Board recommends that shareholders vote in favour of Resolution 3.



**We have concluded that the proposed Transaction IS FAIR and IS
REASONABLE to the Shareholders.**

Australian Small Scale Offerings Board Limited
Financial Services Guide & Independent Expert's Report

22 May 2013

22 May 2013

The Directors
Australian Small Scale Offerings Board Limited
Suite 14, River Place
2 Waterfront Place
ROBINA QLD 4226

Dear Sirs,

Independent Expert's Report

Introduction

On 26 February 2013, US Platform Development Group LLC, or its nominee ("**USPDG**" or "**the Allottee**"), and Australian Small Scale Offerings Board Limited ("**ASSOB**" or "**the Company**") and controlled entities signed an agreement proposing a Transaction ("**the Transaction**") whereby USPDG would acquire 19.9% of newly issued ordinary shares of the Company. The agreement provides for an additional investment by USPDG via options granted over ordinary shares in ASSOB representing a further 13.6% of issued capital. Collectively, these components comprise the Transaction and entitle USPDG to a beneficial interest of 30.8% in ASSOB on a fully diluted basis.

In addition to the equity investment by USPDG in the Company, ASSOB will grant USPDG an exclusive license to exploit ASSOB's "offerings platform" within the United States of America.

WMS Corporate Services Pty Ltd trading as WMS Corporate Finance ("**WMS**") has been engaged by the Directors of ASSOB to provide an Independent Expert's Report stating whether, in its opinion, the transaction is fair and reasonable to the shareholders of ASSOB.

The Transaction is subject to a number of condition precedents including approval by ASSOB shareholders. Our Report is to be attached to the Notice of Extraordinary General Meeting ("**EGM**") Documentation to assist ASSOB shareholders in deciding whether to approve the Transaction.

Summary and opinion

We have considered the terms of the Transaction as outlined in the body of this Report and have concluded that **the Transaction is fair and reasonable** to ASSOB shareholders.

In deriving our opinion we have considered:

- Whether the value of an ASSOB share is higher or lower than the value of the consideration being offered by USPDG under the Transaction;
- Other qualitative factors which we believe represent either advantages or disadvantages to shareholders;
- The likelihood of an alternative superior offer being made to shareholders; and
- The alternatives available to shareholders.

We have summarised below our analysis in forming the above opinion.

Fairness

As detailed in section 2.2, in accordance with our basis of evaluation we have assessed whether or not the Transaction is fair to ASSOBS shareholders with reference to:

- The value of an ASSOBS Share (on a controlling basis); and
- The value of the Transaction Consideration being offered by USPDG. We have considered the consideration which is to be received including and excluding the exercise of options.

The results of our analysis are summarised in the following table.

\$	Low	High
Value of an ASSOBS Share	-	-
Value of Consideration	0.0215	0.0283
Is consideration greater than or equal to assessed share value	Yes	Yes

As indicated in the previous table, the value of the Transaction Consideration is higher than the assessed value range of a Company Share. Accordingly, the Transaction is considered fair to ASSOBS shareholders.

Reasonableness

In assessing the reasonableness of the Transaction, we have also considered the potential commercial and qualitative factors being the advantages and disadvantages of approving the Transaction and the position of ASSOBS shareholders if the Transaction does not proceed.

We have considered, in section 7 of this Report, these commercial and qualitative factors which are summarised below:

- The transaction is fair;
- The injection of new capital;
- The view of the ASSOBS Board;
- The ability to support future growth;
- No alternative offers received;
- ASSOBS shareholders' position if the Transaction is not approved;
- Additional board representation;
- The interests of ASSOBS's shareholders will be materially diluted; and
- The likelihood of future takeovers.

After considering the above matters and noting that the consideration offered is fair, it is the opinion of WMS that the Transaction is also reasonable.

Other matters

This Independent Expert's Report constitutes general financial product advice only and has been prepared without taking into consideration the individual circumstances of shareholders. The decision of whether or not to accept the Transaction is a matter for each ASSOB shareholder to decide based on their own views of the value of ASSOB and USPDG and expectations about future market conditions, ASSOB and USPDG's performance, risk profile and investment strategy.

The Directors and Management of ASSOB have prepared the Notice of EGM Documentation in relation to this Transaction and as such ASSOB shareholders should have regard to this information in forming their opinion. If ASSOB shareholders are in doubt about the action they should take in relation to the Proposed Transaction, they should seek their own professional advice.

This Report is prepared exclusively for the Directors of ASSOB in making their recommendations to ASSOB shareholders and to assist ASSOB shareholders assess the merits of the Transaction. Neither WMS nor any member, employee or consultant thereof undertakes any responsibility to any person, in respect of this Independent Expert's Report, including any errors or omissions however caused.

WMS has prepared a Financial Services Guide ("**FSG**") in accordance with the Corporations Act as set out in the attached Independent Expert's Report.

The opinion expressed in this letter reflects circumstances and conditions as at the date of this letter and must be read in conjunction with the full Independent Expert's Report as attached.

Yours faithfully

WMS Corporate Services Pty Ltd

David Hayes
Director

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Glossary

1H13	Half Year Ended 31 December 2012
1H14f	Half Year Ending 31 December 2013 - Forecast
AASB	Australian Accounting Standards
A-IFRS	Australian Equivalent to International Financial Reporting Standards
AFSL	Australian Financial Services Licence
ASIC	Australian Securities and Investment Commission
ASSOB	Australian Small Scale Offerings Board Limited and controlled entities
ASX	Australian Stock Exchange
ATO	Australian Tax Office
Corporations Act	Corporations Act 2001 (Cth).
DCF	Discounted cash flow
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
FME	Future maintainable earnings
FY10	Financial Year Ended 30 June 2010 – Audited
FY11	Financial Year Ended 30 June 2011 – Audited
FY12	Financial Year Ended 30 June 2012 - Audited
FY13f	Financial Year Ending 30 June 2013 - Forecast
GFC	Global Financial Crisis
Net Assets	Orderly realisation of assets method
NPAT	Net Profit After Tax
NPBT	Net Profit Before Tax
The Allottee	US Platform Development Group LLC
the Company	Australian Small Scale Offerings Board Limited
USPDG	US Platform Development Group LLC or its nominee
WMS	WMS Corporate Services Pty Ltd
\$	Australian Dollar

1 The Transaction

1.1 Background

Australian Small Scale Offerings Board Limited ("**ASSOB**" or "**the Company**") is an Australian public company, listed on the National Stock Exchange ("**NSX**"), which is primarily engaged in the provision of an offerings platform to facilitate the raising of equity funds for corporate entities.

ASSOB promote capital raising campaigns of up to \$5 million through their offerings platform and offers a marketing and distribution channel to inform potential investors of capital raising offers. ASSOB also offers Australia's only facility for "secondary" sales of unlisted issued securities.

US Platform Development Group LLC ("**USPDG**") is a special purpose investment vehicle created to facilitate the proposed Transaction. Neither USPDG or its associates have held ASSOB shares or options prior to this Transaction.

On 26 February 2013, USPDG and ASSOB signed an agreement proposing an investment by USPDG to acquire ordinary shares of ASSOB as part of a new share issue. The agreement provides for an additional investment by USPDG via options granted over ordinary shares in ASSOB. Collectively, these components comprise the Transaction and result in the ability of USPDG to control 30.8% of ASSOB on a fully diluted basis.

In addition to the equity investment by USPDG in ASSOB, ASSOB will grant USPDG an exclusive license to exploit ASSOB's "offerings platform" within the United States of America.

1.2 Structure

The transaction requires the passing of the following resolutions:

- Resolution 1 – Approval of issue of shares;
- Resolution 2 – Amendment of Constitution to reduce the maximum number of directors to 5; and
- Resolution 3 – Amendment of Constitution to allow appointment of one director by USPDG or nominee.

Should the Transaction proceed as contemplated, ASSOB will issue new shares comprising 19.9% (17.2% fully diluted) of all issued capital to USPDG. The consideration to be received for this allotment totals \$786,000. This is to be undertaken in two tranches.

In addition, options over a further 13.6% of issued capital will be issued to USPDG. These options can be exercised in full for a total consideration of \$1,065,000. Should the exercise of all options be undertaken, USPDG will have a combined investment representing 30.8% of the ordinary shares in ASSOB.

In addition to the investment in ASSOB, USPDG will be entitled to one board appointment (resolution 6).

Concurrent with this agreement is a licence agreement with ASSOB Pty Limited (a controlled entity of ASSOB) and USPDG. This licence agreement contemplates a commercial arrangement whereby intellectual property of ASSOB Pty Limited is licensed to USPDG for use in the exclusive territory of the United States and dependent areas.

The agreement as contemplated provides for a license fee to be received by ASSOB Pty Limited of 10% of Net Revenue in each reporting period subject to a cap on the amount of capital raised. WMS has inspected a draft of the license agreement only.

1.3 Conditions Precedent

The transaction between USPDG and ASSOBS is subject to a number of conditions precedent, including:

- Execution of a license agreement on mutually agreeable terms;
- Due Diligence Requirements;
- Required approvals from ASSOBS shareholders and other regulatory bodies concerned; and
- Reimbursement of reasonable out-of-pocket expenses incurred by USPDG in consummating the Transaction. These are estimated to not exceed \$50,000 and are to be paid out of consideration received by ASSOBS.

Full disclosure of all conditions precedent to the Transaction is included in the Notice of EGM Documentation.

2 Purpose and scope

2.1 Purpose

Section 606(1) of the Corporations Act provides that, subject to limited specified exemptions, a person must not acquire a "relevant interest" in issuing voting shares in a public company if as a result of the acquisition any person's voting power in the company would increase from 20% or below to more than 20%.

Completion of the Proposed Transaction, including the exercise of options, will result in USPDG having a 30.8% relevant interest in the Company on a fully diluted basis.

Section 611, Item 7 allows a party (and its associates) to acquire a relevant interest in shares that would otherwise be prohibited under Section 606(1) of the Corporations Act if the proposed acquisition is approved in advance by a resolution passed at a general meeting of the company, and:

- a) No votes are cast in favour of the resolution by the proposed acquirer (USPDG) or respective associates; and
- b) There was full disclosure of all information that was known to the persons proposed to make the acquisition or their associates or known to the company that was material to a decision on how to vote on the resolution.

This Report has been prepared to assist the Directors of ASSOB in making their recommendations to ASSOB Shareholders in relation to Resolutions 1, 2 and 3 (Section 1.2), and to assist the Shareholders of ASSOB to assess the merits of the Proposed Transaction.

Section 611 states that shareholders must be given all information that is material to the decision on how to vote at the meeting.

2.2 Basis of Evaluation

Australian Securities and Investment Commission (ASIC) Regulatory Guide RG111 "Content of expert reports" expresses that in the circumstances where item 7 of s611 is used to achieve a change of control, then it expects a person preparing an independent expert report to perform substantially the same form of analysis as for a takeover bid made pursuant to Chapter 6 of the Corporations Act and provide an opinion as to whether the proposal is "fair and reasonable".

RG 111 defines the term 'fair and reasonable' and draws a distinction between the meaning of the terms "fair" and "reasonable". An offer is "fair" if the value of the consideration is equal to, or greater than, the value of the securities subject to the offer. The comparison must be made assuming 100% ownership of ASSOB, irrespective of the percentage holding of the bidder or its associates.

RG 111 considers an offer to be reasonable if:

- the offer is "fair"; or
- despite not being fair, the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher offer.

RG 111 sets out some of the factors that an expert might consider in assessing the reasonableness of a proposal, including:

- a) The bidder's pre-existing voting power in securities in the target;
- b) Other significant security holding blocks in the target;
- c) The liquidity of the market in the target's securities;
- d) Taxation losses, cash flow or other benefits through achieving 100% ownership of the target;
- e) Any special value of the target to the bidder, such as particular technology, the potential to write off outstanding loans from the target, etc;
- f) The likely market price if the offer is unsuccessful; and
- g) The value to an alternative bidder and likelihood of an alternative offer being made.

2.3 Other Control Transactions

RG 111.26 identifies other benefits that transactions of this kind may bring which should be considered in deciding whether a transaction is reasonable. These include:

- a) The provision of new capital to exploit business opportunities;
- b) A reduction in debt and interest payments; or
- c) A needed injection of working capital.

As this is a control transaction, when deriving the value of individual ASSOB shares and comparing it with the Transaction Consideration, we have included a premium for control in our valuation of ASSOB.

2.4 Qualifications

WMS Corporate Services Pty Ltd director, David Hayes, holds an AFSL under the Corporations Act 2001 and is qualified to provide this report.

WMS provides a full range of Corporate Advisory Services and has advised on numerous corporate valuations, acquisitions, and restructures. Prior to accepting this engagement, WMS considered its independence with respect to ASSOB with reference to the RG 112 Independence of Expert.

2.5 Limitations and reliance on information

WMS's report and opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

WMS has prepared this report on the basis of financial and other information provided by ASSOB and publicly available information. WMS has considered and relied upon this information. WMS has no reason to believe that any information supplied was false or that any material information has been withheld. WMS has evaluated the information provided to it by ASSOB and other experts through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Nothing in this report should be taken to imply that WMS has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of ASSOB.

This Report is prepared exclusively for the Directors of ASSOB in making their recommendations to ASSOB shareholders and to assist ASSOB shareholders assess the merits of the Transaction. This report should not be used for any other purpose. In particular, it is not intended that this report should be used for any purpose other than as an expression of WMS's opinion as to whether the Transaction is fair and reasonable to ASSOB shareholders.

The company has indemnified WMS, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services contemplated by ASSOB's engagement letter dated 23 April 2013, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services whether by reason of their negligence or otherwise, excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by ASSOB, which ASSOB knew or should have known to be false and/or reliance on information, which was material information ASSOB had in its possession and which ASSOB knew or should have known to be material and which ASSOB did not provide to WMS. ASSOB will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred.

WMS does not have, at the date of this report, and has not had within the previous two years, any relationship with ASSOB that could reasonably be regarded as capable of affecting its ability to provide an independent and unbiased opinion in relation to the proposed acquisition. WMS is entitled to receive a fee based on commercial rates and including reimbursement of out of pocket expenses for the preparation of this report. Except for this fee, WMS will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the making of this report. The payment of this fee is in no way contingent upon the success or failure of the Transaction.

All amounts in this report are expressed in Australian dollars (\$) unless otherwise stated.

2.6 Consents

WMS consents to the issuing of this report in the form and context in which it is included in the Notice of EGM Documentation to be sent to the shareholders of ASSOB. Neither the whole nor part of this report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of WMS as to the form and content in which it appears.

3 Industry Overview

ASSOB's operations best fit those of Custody, Trustee and Stock Exchange Services. For the purpose of this Report, WMS have considered IBISWorld Industry Research Report K6419c. Elements of this report have been reproduced in the following subsections. Inclusion of these excerpts does not constitute an opinion on the proposed transaction by IBISWorld or the report's author.

3.1 Stock Exchange and Share registry¹

3.1.1 Current Performance

The Australian Securities Exchange (ASX) dominates the stock exchange and clearing house operation segment of the Custody, Trustee and Stock Exchange Services industry. Similar to share registries, revenue for the stock exchange is driven by the volume and value of trades on the exchange, the level of new listings and capital raising activity. In Australia, market activity is underpinned by the growing pool of funds, especially superannuation assets. In addition to these asset holdings, 43% of adult Australians hold shares either directly or indirectly through a managed fund.

The financial crisis battered the stock exchange as share prices tumbled and the heightened volatility discouraged initial public offerings (IPOs). This caused trade and listing income to decline. Although derivatives trading surpassed issuing and listing activity in that year, the value of these trades failed to offset the decline in listing fees and equities trading income. Strong growth in the trade of interbank cash rates futures and three-year bond futures were due to a persistent uncertainty about future interest and inflation rates, which stemmed from a larger decline in revenue.

Volatile financial markets have increased the unpredictability of listings. As global markets began to show signs of recovery, there were 85 new listings in the 11 months to May 2010, compared with 44 over the same period in 2009. However, since that surge in IPO and secondary listing activity, the number of IPOs and the initial capital raised, more than halved for 2011-12. As enthusiasm about the world's economic condition waned, many companies were reluctant to approach the equity market for financing. With further slowdown anticipated and business confidence dragged down by miners' expectations, listing revenue fees are expected to fall again in 2012-13.

3.1.2 Products & Services

The ASX dominates the stock exchange segment and is the monopoly holder of clearing house operations in Australia. The ASX offers services including: providing a market and platforms for the raising of new capital from investors (primary market), providing a market for the trading of this capital between investors (secondary market), providing a market for the exchange of options contracts, cash market trades, and contracts for differences, options, futures, and other derivatives. This also includes the provision of detailed information about listed securities and the market in general to allow for price and volume discovery, and providing a market regulatory function.

¹ IBISWorld Industry Research Report K6419c Custody, Trustee and Stock Exchange Services in Australia March 2013 by Ee Jen Lee

4 Profile of ASSOB

4.1 Background²

The Australian Small Scale Offerings Board (ASSOB) is a business introduction and matching platform for showcasing investment opportunities in high growth, unlisted Australian companies.

A wide range of businesses, from seed and start-up stage, to award-winning and government granted companies, as well as more established growth and expanding companies, have joined ASSOB seeking access to growth capital and a convenient forum to connect with stakeholders.

ASSOB combines peer-to-peer investment (or 'social' investment) with a venture capital approach, enabling entrepreneurs and early-stage organisations to accelerate company development and to efficiently connect with Funders. ASSOB promotes capital raising campaigns of up to \$5 million through their Platform and offers a marketing and distribution channel to inform potential investors of capital raising offers.

ASSOB also offers Australia's only facility for "secondary" sales of unlisted issued securities. Their services help businesses get visibility and the right investing audience. ASSOB offers value-added input through due diligence, guidance, expertise and other active involvement, as required, to ensure that companies gain momentum and achieve their maximum potential during their time on the ASSOB Platform.

ASSOB operates its Platform and compliance tools pursuant to the prescriptive requirements of ASIC Class Order 02/273 (Business Introduction or Matching Services) and section 708 of the Corporations Act (Cth) 2001. This provides for (in certain circumstances) an issue of securities being made to certain types of investors without a disclosure statement and regulated promotion securities offers.

ASSOB does not charge investors a fee, rather they are remunerated as follows:

1. Capital Raising Campaign - Application fee is \$990 (GST inc.) to apply for admission to the Platform;
2. An admission fee of \$3,960 (GST inc.) is payable by all companies who have gained approval for admission to the Platform;
3. A monthly fee of \$458 (GST inc.) for each month of the capital raising campaign; and
4. When a campaign raises money a transaction fee of 2.5% is deducted before the funds are dispersed.

4.2 Capital Structure

From 25 July 2012, ASSOB has a total of 141,100,001 shares on issue. No options have existed since 31 December 2009.

² Company Website as at 24 April 2013

4.2.1 Top 20 shareholders as at 15 April 2013

Holder Name	Balance as at 15-04-2013	%
MR ANTHONY FRANZ LUCIEN PULS & MS PAULETTE SUSAN KULAK <PULSKULAK SUPER FUND A/C>	49,642,800	35.183
MR PETER STIRLING & MRS ROSALIND STIRLING	47,995,110	34.015
ABIL HOLDINGS LIMITED <REG NO 53667 A/C>	17,402,290	12.333
RED WATER DRAGON PTY LTD ACN 115 063 913 <RED WATER DRAGON INV A/C>	2,562,493	1.816
MRS GERALDINE MARY GOLDING	2,129,245	1.509
MR DAVID WILLIAM SPAIN	1,621,053	1.149
MARIA PILLAI PATHMANABAN <APPOORAN FAMILY A/C>	1,261,290	0.894
RYHAT ESTABLISHMENT	875,000	0.620
XIAO BO ZHOU	874,000	0.619
XIONG ZHAO	850,000	0.602
MR MARK KOHOUT <M&P SUPER FUND A/C>	577,595	0.409
PRAFULLA VALANJU PTY LTD <SUPER BENEFITS FUND A/C>	569,583	0.404
LOGIC INTERNATIONAL SOFTWARE PTE LIMITED	525,000	0.372
MRS TASMYN PAULA MURRAY	390,242	0.277
APEC GROUP PTY LIMITED	350,000	0.248
MR PAUL MORRELL NIEDERER	350,000	0.248
MR DOMINIC ANTONIO VARRASSO & MRS MARIA VARRASSO <VARRASSO SUPER FUND A/C>	335,859	0.238
MR ALISTAIR DAVID RIDDOCH	270,817	0.192
MR EDWARD HENRY CLARK	258,490	0.183
MR MARK PENU	258,490	0.183
TOMRENE PTY LTD	258,490	0.183
Subtotal	129,357,847	91.678
Total Issued Capital	141,100,001.0	100.0

4.3 Directors

The ASSOBS Directors who have been in office from 1 July 2012 until the date of this Report are as below:

- Mr Anthony Puls (Chairman);
- Mr Paul Niederer;
- Ms Susan Williams; and
- Mr Peter Stirling.

4.4 Share Trading

Share trading in ASSOBS has been infrequent. No trading has occurred since 25 November 2009 and only six dates since 1 July 2009 have experienced activity. This is set out in the following table:

Date	Volume	Sale Price	Sale Value
25-Nov-09	1,250,000	0.020	25,000
11-Nov-09	370,000	0.025	9,250
11-Nov-09	500,000	0.020	10,000
04-Nov-09	400,000	0.025	10,000
28-Oct-09	710,846	0.015	10,663
10-Jul-09	100,000	0.015	1,500

4.5 Financial Information

Actual financial performance of ASSOBS for the three years ended 30 June 2012 and the six months ended 31 December 2012 along with forecast performance for the year ending 30 June 2013 and the six months ending 31 December 2013 is set out in the following table:

\$	FY10	FY11	FY12	1H13	FY13f	1H14f
Income						
Revenue	971,919	874,783	842,096	316,288	579,510	281,145
Other income	11,527	33,473	540	31,597	31,597	-
Total Income	983,446	908,256	842,636	347,885	611,107	281,145
Operating Expenditure						
Employee benefits expense	(258,067)	(386,435)	(426,918)	(168,123)	(331,012)	(167,706)
Sales and marketing expenses	(6,354)	(20,039)	(25,588)	(3,566)	(5,244)	(3,303)
Bad Debts expense	-	(60,303)	(18,330)	-	(196)	(393)
Cost of sales	(27,250)	(4,803)	(41,244)	(16,914)	(23,019)	(7,959)
Occupancy costs	(46,521)	(33,014)	(74,015)	(37,546)	(57,771)	(19,875)
Legal expenses	(183,102)	(35,630)	(37,501)	-	(800)	-
Other expenses	(377,883)	(409,534)	(349,663)	(176,333)	(311,801)	(179,399)
EBITDA	84,269	(41,502)	(130,623)	(54,597)	(118,736)	(97,490)
Depreciation and amortisation expense	(40,989)	(33,947)	(39,240)	(20,053)		
EBIT	43,280	(75,449)	(169,863)	(74,650)		
Finance costs	(39,689)	(41,810)	(37,512)	(22,350)		
Net profit before tax (NPBT)	3,591	(117,259)	(207,375)	(97,000)		
Income tax	116,783	136,523	80,455	(16,545)		
Net profit after tax (NPAT)	120,374	19,264	(126,920)	(113,545)		
Revenue Variance %	n/a	-7.65%	-7.22%	n/a	-27.48%	n/a
EBITDA Margin	8.57%	-4.57%	-15.50%	-15.69%	-19.43%	-34.7%

Our observations of the trading results follow:

- Revenue has declined year on year;
- Significant losses (EBITDA level) have been incurred in each period with the exception of the financial year ended 30 June 2010; and
- ASSOBS has been the beneficiary of research and development tax concessions.

The financial position of ASSOBS as at 31 December 2012, 30 June 2012 and 30 June 2011 is set out in the following table:

\$	FY11	FY12	1H13
Assets			
Cash and cash equivalents	41,520	30,869	26,083
Trade and other receivables	74,157	86,428	37,926
Other assets	21,893	-	-
Total current assets	137,570	117,297	64,009
Property, plant and equipment	62,358	52,010	39,240
Deferred tax assets	44,749	38,177	21,631
Intangible assets	94,445	99,260	89,690
Deposits held	-	26,208	21,550
Total non-current assets	201,552	215,655	172,111
Total assets	339,122	332,952	236,120
Liabilities			
Trade and other payables	90,497	153,120	120,066
Borrowings	-	35,000	60,000
Provisions for employee benefits	36,250	56,139	73,893
Total current liabilities	126,747	244,259	253,959
Borrowings	454,002	454,002	454,002
Provisions for employee benefits	3,612	6,750	5,763
Total non-current liabilities	457,614	460,752	459,765
Total liabilities	584,361	705,011	713,724
Net assets	(245,239)	(372,059)	(477,604)
Equity			
Issued capital	15,292,480	15,292,480	15,300,480
Retained earnings	(15,537,719)	(15,664,539)	(15,778,084)
Total equity	(245,239)	(372,059)	(477,604)

Our observations of the financial position follow:

- There is a material deficiency in net assets in each period and this deficiency is increasing;
- Current liabilities exceed current assets in the two most recent periods; and
- We refer to the note 1(b) in the financial statements for the half-year ended 31 December 2012 which describes the going concern basis being appropriate on the basis that a Director and major shareholder provides funds as and when required.

5 Valuation methodology and approach

5.1 Definition of market value

There is no single definition of the term “value” which is suitable for all purposes. The value of a particular asset or business will vary from time to time and there may be differing values at the same time according to the purpose for which it is necessary to establish a value. The basic premise of valuation and the underlying assumptions for the purpose of this analysis may be stated as follows:

- “Fair market value” is virtually universally accepted as the price that a willing but not anxious buyer, acting at arm’s length, with adequate information, would be prepared to pay to a willing but not anxious seller for the shares, units or assets in question; and
- The fair market value concept assumes continued operations by the business in the industry in which it is presently engaged.

These principles were established by the High Court of Australia in *Spencer v The Commonwealth of Australia* (1907).

Fair market value does not incorporate any special value that may be considered additional value that may accrue to a particular purchaser and is unique to each such purchaser. In a specific transaction, potential acquirers may be prepared to pay a special value that may reflect synergies realised from this particular acquisition.

5.2 Common valuation methodologies

ASIC RG111 considers that it is generally appropriate for an independent expert to consider using the following methodologies when assessing the value of the target entity:

- The **discounted cash flow method (DCF)** and the estimated realisable value of any surplus assets;
- The application of earnings multiples to the estimated future maintainable earnings (**FME**) or cash flows of the entity, added to the estimated realisable value of any surplus assets;
- The amount that would be available for distribution to security holders on an orderly realisation of assets (**Net Assets**);
- The **quoted price for listed securities**, when there is a liquid and active market; and
- Any **recent genuine offers** received by the target for the entire business, or any business units or assets as a basis for valuation of those business units or assets.

Each methodology outlined above may be appropriate in certain circumstances. The decision as to which methodology to apply generally depends on the nature of the business being valued, the methodology most commonly adopted in valuing such businesses and the availability of appropriate information.

5.3 Income Approach

5.3.1 Discounted cash flow (DCF)

The DCF methodology involves applying an appropriate discount rate to cash flow projections of the business to calculate its net present value. The forecast cash flows are discounted by a discount rate that reflects the time value of money and the risk inherent in the cash flows.

Due to the DCF's sound theoretical base, this methodology is the most technically accurate for all valuations, assuming that sufficient reliable data is available.

The DCF methodology is particularly appealing in valuing:

- Start-up businesses as there is no history of earnings;
- Businesses or assets in high growth phase; and
- Finite assets or projects with a limited life (e.g. property development and mining).

5.3.2 Capitalisation of FME

The Capitalisation of FME methodology involves capitalising the estimated future earnings of the business by applying appropriate earnings multiple that reflects the underlying investment rate of return.

This methodology requires consideration of the following factors:

- To estimate an FME, consideration must be given to historical performance, the current position and future expectations. In order to ascertain an appropriate level of future earnings, the historical earnings of the business (as disclosed in financial statements) are typically adjusted for amounts which are abnormal, non-recurring or not representative of the expected future operations of the business;
- To determine an appropriate earnings multiple rate, factors such as risk, growth prospects, current returns, competition and the industry as a whole need to be considered; and
- An assessment of any surplus assets and liabilities, being those which are not essential to the generation of the future maintainable earnings.

The Capitalisation of FME methodology should be considered for valuing businesses with a history of stable earnings that is predictive of future earnings. FME is an appropriate basis for valuing a profitable business where liquidation is not anticipated.

5.4 Assets Approach

Where an entity does not actively trade, or the value of the net assets is greater than that calculated by using an earnings methodology, it is usually appropriate to value the entity using an asset based methodology.

Asset based valuations involve the determination of the net realisable value of the assets used in the business on the basis of an orderly realisation of those assets. Thus the 'Orderly Realisation of Assets' methodology includes a reduction for the reasonable costs of carrying out the sale of assets and the time value of money, but is not a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value.

The Orderly Realisation of Assets methodology should be considered for valuing businesses with an unprofitable trading future (i.e. inability to continue as a going concern) and businesses with a majority of readily marketable assets (i.e. investment or property companies).

This methodology is also appropriate where there are surplus non-operational assets included in an entity.

5.5 Market based

Market based assessments relate to the valuation of companies, the shares of which are traded on a stock exchange. While the relevant share price would, prima facie, constitute the market value of the shares, such market prices usually reflect the prices paid for small parcels of shares and as such do not include a control premium relevant to a significant parcel of shares.

An alternate methodology has regard to genuine offers received for the business, individual business units or specific assets. The existence of such offers may serve as a proxy for value in the absence of an established and observable market.

5.6 Our selected valuation approach

Subsequent to our analysis of ASSOB's financial results and operations as at the date of this report and with reference to generally accepted valuation methodologies in addition to the direction provided by RG111 above, we consider it appropriate to value the ASSOB shares by applying a 'dual basis' methodology. That is, by adopting a Capitalisation of FME method to value the business operations of ASSOB and the Net Assets approach to value the assets and liabilities that are surplus to the core trading operations.

In forming our opinion, we have considered and dismissed the following methodologies:

- Discounted Cash Flow – due to the absence of reliable medium term cash flow forecasts, we consider the use of this methodology to be inappropriate in this instance; and
- Recent Offers – we are advised that no recent offers of a genuine nature have been received in relation to ASSOB or any of its business units. Accordingly, we consider the use of this methodology to be inappropriate in this instance.

For completeness, we have considered other methodologies and subsequently disregarded them as discussed later in this report.

6 Valuation of ASSO B

6.1 Approach

We have selected the Capitalisation of FME as the primary valuation methodology to apply to ASSO B. When undertaking this methodology, we have considered the following:

- When estimating the FME of ASSO B we have had regard to the Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") as the most appropriate earnings base for our analysis; and
- We have considered other assets, liabilities and contingent liabilities of ASSO B that may be deemed surplus and therefore are not reflected in the core business earnings of the Company.

6.2 Future Maintainable Earnings

The correct determination of an FME is to assess the level of profits that ASSO B can expect to derive from future periods notwithstanding the fluctuations of the business cycle.

We have utilised EBITDA as the earnings base for our primary methodology after considering a number of factors specific to the operations of companies within the Custody, Trustee and Stock Exchange Services industry, including:

- EBITDA multiples are readily available;
- The level of gearing varies by industry participant;
- There is a variance with respect to the use of depreciable assets and amortisable intangible assets to operate businesses;
- Forecast information does not include depreciation; and
- ASSO B has been the beneficiary of research and development tax concessions and there is no certainty as to ASSO B's entitlements to these concessions in future years.

Outlined in the table below are the normalised earnings for each of the years from FY10 to FY13f and the half year forecast results 1H14f.

\$	FY10	FY11	FY12	1H13	FY13f	1H14f
Income						
Revenue	971,919	874,783	842,096	316,288	579,510	281,145
Other income	11,527	33,473	540	31,597	31,597	-
Total Income	983,446	908,256	842,636	347,885	611,107	281,145
Operating Expenditure						
Employee benefits expense	(258,067)	(386,435)	(426,918)	(168,123)	(331,012)	(167,706)
Sales and marketing expenses	(6,354)	(20,039)	(25,588)	(3,566)	(5,244)	(3,303)
Bad Debts expense	-	-	(18,330)	-	(196)	(393)
Cost of sales	(27,250)	(4,803)	(41,244)	(16,914)	(23,019)	(7,959)
Occupancy costs	(46,521)	(33,014)	(74,015)	(37,546)	(57,771)	(19,875)
Legal expenses	-	-	(37,501)	-	(800)	-
Other expenses	(377,883)	(409,534)	(349,663)	(176,333)	(311,801)	(179,399)
EBITDA	267,371	54,431	(130,623)	(54,597)	(118,736)	(97,490)

When assessing ASSO B's FME, we have had regard to the downward trend in revenue observed over the review period. Accordingly, we believe that the results derived in more recent periods (from and including FY12), along with the forecast results best represent the future earnings for valuation purposes.

We have made normalisation adjustments to ASSOBS reported EBITDA to reflect:

- Non-recurring legal expenses incurred in FY10 & FY11; and
- Bad debts relating to periods prior to FY10.

Having regard to the normalised earnings across the review period, we are unable to assess a positive FME for the following reasons:

- The magnitude of losses incurred in FY12 and 1H13 are significant;
- Directors forecasts anticipate future losses will be incurred;
- The normalised earnings across the review period were not sufficiently stable; and
- There is a high level of uncertainty regarding the derivation of future income.

6.3 Earnings multiples

As we have been unable to assess a positive FME with which to apply an appropriate earnings multiple, we consider the procedures necessary to calculate such a multiple to be meaningless in this instance. As such, we have not undertaken these procedures.

6.4 Conclusion of Value – Capitalisation of FME

As we have been unable to assess a positive FME for ASSOBS as at the valuation date, we consider the use of the Capitalisation of Earnings Methodology to be inappropriate in this instance.

6.5 Orderly Realisation of Assets

As discussed in Section 5.4 of this report, the Orderly Realisation of Assets Methodology may be appropriate where businesses have an unprofitable trading future.

We have regard to the most recent balance sheet of ASSOBS. We note that it is appropriate to capture the likely realisable value, net of selling costs that may be achieved after allowing for a reasonable selling period.

Given the magnitude of the net asset deficiency we consider any adjustment to the book values, unless material, are unlikely to result in a positive value. Accordingly, we are unable to ascribe a positive value to ASSOBS using the Orderly Realisation of Net Assets Methodology, in this instance.

6.6 National Stock Exchange (“NSX”) quoted price valuation

6.6.1 NSX trading

The following table details trading data for ASSOBS on the NSX since July 2009.

Date	Volume	Sale Price	Sale Value
25-Nov-09	1,250,000	0.020	25,000
11-Nov-09	370,000	0.025	9,250
11-Nov-09	500,000	0.020	10,000
04-Nov-09	400,000	0.025	10,000
28-Oct-09	710,846	0.015	10,663
10-Jul-09	100,000	0.015	1,500

The price of ASSOBS shares range from a low of 1.5 cents to a high of 2.5 cents during this period.

We make the following comments in relation to the trading of ASSOBS shares on the NSX:

- There have only been 24 trades in total since 1 July 2009 and no trades have occurred since 25 November 2009;
- The aggregation of the trades listed in the previous table represent just 2.4% of all issued shares;
- The largest trade by value was \$25,000; and
- There are only six dates on which trading has occurred.

6.6.2 Liquidity

For the quoted market price methodology to be reliable there should be a 'deep' market in the shares. Paragraph 69 of RG 111 indicates that a 'deep' market should reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- Consistent trading in a company's securities;
- Approximately 1% of a company's free float shares are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- No significant but unexplained movements in share price.

Due to the insufficient and infrequent trading in ASSOBS shares on the NSX, we do not consider that there is a deep market in ASSOBS shares. As such, we think the use of the quoted price methodology is inappropriate in this instance.

6.7 Conclusion of Value

We have considered a number of industry accepted valuation methodologies including:

- Capitalisation of Future Maintainable Earnings;
- Orderly Realisation of Net Assets; and
- Quoted Price.

Having undertaken the necessary procedures for each methodology, we have been unable to ascribe a positive share price to ASSOBS in each instance. Accordingly, we assess the share price of ASSOBS to be \$Nil as at the date of this report.

6.8 Cross Check

In forming our conclusion, we have regard to the financial report of ASSOBS for the half-year ended 31 December 2012, as reviewed by the Company auditor. We specifically note the dependence on shareholder support to satisfy the going concern criteria. This financial support is representative of a business with a net asset deficiency and insufficient positive earnings. We believe this note further supports our conclusion of value.

7 Evaluation of the Transaction

7.1 Approach

When considering whether in our opinion the terms of the Transaction as outlined in the body of this Report are fair and/or reasonable, we have considered:

- Whether the value of an ASSOB share is higher or lower than the value of the consideration being offered;
- Other qualitative factors which we believe represent either advantages or disadvantages to ASSOB shareholders;
- The likelihood of an alternative superior offer being made to ASSOB shareholders; and
- The alternatives available to ASSOB shareholders.

7.2 Conclusion of valuation analysis

In determining whether the offer is fair, we have compared the value of ASSOB (on a controlling basis) with the value of the Consideration being offered. Section 6.7 provides our conclusions in relation to the value of ASSOB.

The results of our analysis are summarised in the table which follows:

\$	Low	High
Value of an ASSOB Share	-	-
Value of Consideration	0.0215	0.0283
Is consideration greater than or equal to assessed share value	Yes	Yes

As previously discussed, we have been unable to assess a positive value for ASSOB shares as at the valuation date. Accordingly, where positive consideration is offered, we conclude that the transaction is fair.

In determining the value of consideration to be offered under the proposed Transaction, we have regard to scenarios available to the Allottee. That is, should the Transaction proceed, as a minimum, approximately 36.5m new shares will be issued at a price of 2.15 cents per share. Should all the options issued be exercised by the Allottee, a further 28.9m shares will be issued at a price of 3.69 cents per share.

We understand there are no vesting conditions attaching to the options. Accordingly, we have calculated the weighted average share price on the basis that should the Transaction proceed (and the Allottee so choose), a total of 65.4m shares may be issued at the weighted average price of 2.83 cents per share. This calculation is set out in the following table. WMS have reviewed a draft of the Options Terms documentation only.

	#	\$ per share	\$ total
Allotment of new shares	36,550,000	0.0215	786,000.0
Allotment of new options	28,900,000	0.0369	1,065,000.0
Weighted Average	65,450,000	0.0283	1,851,000.0

As illustrated, we conclude that the value of the consideration offered by USPDG (under either scenario) is above the value of ASSOBS on a stand alone basis. Consequently, **WMS considers that the Transaction is fair to ASSOBS shareholders in accordance with prescription set out in RG111.**

7.3 Qualitative factors (Advantages and Disadvantages)

In accordance with RG111 an offer is reasonable if it is fair. On this basis, in our opinion the Transaction is reasonable. In assessing the reasonableness of the Transaction, we have also considered the potential advantages and disadvantages to the shareholders and considered whether the advantages outweigh the disadvantages only in the context of the Transaction.

These commercial and qualitative factors are summarised below. We note that individual shareholders may interpret these factors differently depending on their individual circumstances.

7.3.1 Capital Injection - Advantage

Should the transaction proceed as contemplated, a minimum of \$786,000 worth of new capital will be injected into ASSOBS (net of transaction costs). This additional working capital assists in addressing the going concern issue previously identified.

7.3.2 Ability to support future growth of ASSOBS - Advantage

Should the transaction proceed as contemplated, a license agreement will be executed on mutually agreeable terms to facilitate the commercial exploitation of ASSOBS property in the United States of America. This pursuit may provide growth potential and the ability to generate additional income with more certainty into the future.

7.3.3 Board view - Advantage

In the absence of a superior proposal and subject to receipt of an independent expert's report confirming that the Transaction is in the best interests of shareholders, we understand that the Directors of ASSOBS have recommended the Transaction to shareholders.

7.3.4 No alternative offers received - Advantage

As at the date of our Report, we are not aware of any alternative offers that may be forthcoming.

7.3.5 ASSOBS shareholders' position if the Transaction is not approved - Advantage

If the Transaction is not approved, it would be the current Directors' intention to continue operating the Company in line with its objectives. We highlight the going concern risk given the history and magnitude of recent trading losses.

7.3.6 Additional Board Representation - Advantage

Should the transaction proceed as contemplated, the Allottee will have the right to appoint one director to the board. This additional appointment may enhance the effectiveness of the ASSOBS board by bringing new experiences and skill sets which compliment those already present.

7.3.7 The interests of ASSOBS's shareholders will be materially diluted - Disadvantage

The interests of ASSOBS shareholders will be diluted down from 100% to 66.4% of the enlarged share capital of ASSOBS following completion of the Transaction and exercise of all options, including the Employee Share Trust allocation (Resolution 3 and 4). Accordingly, these shareholders will collectively have significantly less influence and control over the future direction of the Company.

7.3.8 Likelihood of a future takeover – Disadvantage

Should the transaction proceed as contemplated (including the exercise of options), USPDG will control a 30.8% interest in the Company and be in a position to influence the strategic direction of ASSOBS. This influence extends to the acceptance or rejection of future take-over/merger proposals should they arise.

7.4 Other considerations

This Independent Expert's Report constitutes general financial product advice only and has been prepared without taking into consideration the individual circumstances of shareholders. The decision of whether or not to accept the Transaction is a matter for each ASSOBS Shareholder to decide based on their own views of the value of ASSOBS and expectations about future market conditions, ASSOBS's performance, risk profile and investment strategy.

The Directors and Management of ASSOBS have prepared the Notice of EGM Documentation in relation to this Transaction and as such ASSOBS shareholders should have regard to this when considering the Transaction. The decision of whether to buy, hold or sell ASSOBS securities is an investment decision, independent of a decision to approve the Transaction, upon which WMS does not offer an opinion. If ASSOBS shareholders are in doubt about the action they should take in relation to the Proposed Transaction, they should seek their own professional advice.

This Report is prepared exclusively for the Directors of ASSOBS in making their recommendations to ASSOBS shareholders and to assist ASSOBS shareholders assess the merits of the Transaction. Neither WMS nor any member, employee or consultant thereof undertakes any responsibility to any person, in respect of this Independent Expert's Report, including any errors or omissions however caused.

7.5 Conclusion

WMS has considered the terms of the Transaction as outlined in the body of this Report and has concluded that **the Transaction is fair and reasonable**, notwithstanding the costs, disadvantages and risks.

In deriving our opinion we have considered:

- Whether the value of ASSOBS is higher or lower than the value of the consideration being offered;
- Other qualitative factors which we believe represent either advantages or disadvantages to ASSOBS shareholders;
- The likelihood of an alternative superior offer being made to ASSOBS shareholders; and
- The alternatives available to ASSOBS shareholders.

We have considered the likely advantages and disadvantages of the Transaction for the ASSOB shareholders, and the advantages and disadvantages for the same shareholders if the Transaction does not proceed. It is WMS's opinion that the benefits that are likely to accrue to the shareholders as a result of the Transaction outweigh the disadvantages and the other considerations if the Transaction does not proceed.

when it counts

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Financial services guide

David Hayes, as director of WMS Corporate Services Pty Ltd ABN 28 069 284 073 ("WMS" or "we" or "us" or "ours" as appropriate), has been engaged to issue general financial product advice in the form of a report to be provided to you.

FINANCIAL SERVICES GUIDE

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

The FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under AFSL/Licence No: 418958;
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our complaints handling procedures and how you may access them.

FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

WMS holds an AFSL which authorises the licensee to provide general financial product advice to retail and wholesale clients on securities and interests in managed investment schemes.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

GENERAL FINANCIAL PRODUCT ADVICE

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. In this instance, the Company has agreed to pay us approximately \$15,000 for preparing the Report.

Except for the fees referred to above, neither WMS, nor any of its Directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

REMUNERATION OR OTHER BENEFITS RECEIVED BY OUR EMPLOYEES

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

INDEPENDENCE

WMS is independent of the entity that engages it to provide a report. The guidelines for independence in the preparation of reports are set out in the Regulatory Guide 112 issued by the Australian Securities and Investments Commission in October 2007.

COMPLAINTS RESOLUTION

INTERNAL COMPLAINTS RESOLUTION PROCESS

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, WMS, PO Box 5287, Robina TC QLD 4230.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

REFERRAL TO EXTERNAL DISPUTE RESOLUTION SCHEME

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited ("FOS"). FOS is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

David Hayes is a member of FOS (Member Number 30725). Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
GPO Box 3
MELBOURNE VIC 3001

Toll free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fus.org.au

CONTACT DETAILS

You may contact us using the details set out at the top of our letterhead of this FSG.



All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 2:00pm AEST on Tuesday, 25 June 2013.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore **2:00pm AEST on Tuesday, 25 June 2013.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Australian Small Scale Offerings Board Limited

ABN 21 109 469 383

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Australian Small Scale Offerings Board Limited** and entitled to attend and vote hereby appoint

☐

Appoint the **Chairman of the Meeting** (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting as my/our proxy at the Extraordinary General Meeting of the Company to be held at the **Suite 1401, Level 14, The Rocket, 203 Robina Town Centre Drive, Robina QLD 4230 on Thursday 27 June 2013 at 2:00pm AEST** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

☐

If the Chairman of the Meeting is appointed as your proxy or may be appointed by default, and you do not wish to direct your proxy how to vote in respect of resolution 1, please mark this box. *By marking this box, you acknowledge that the Chairman of the Meeting may vote as your proxy even if he has an interest in the outcome of the resolution and votes cast by the Chairman of the Meeting for those resolutions, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called. By marking this box I/we acknowledge the Chairman of the Meeting can exercise my/our proxy even though he has an interest in the outcome of the resolution and unless a specific voting direction has been specified below, the Chairman of the Meeting is directed to vote in accordance with his voting intention as set out below.*

The Chair will vote all undirected proxies in favour of resolution 1.

In addition to the above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	To Approval of issue of shares to Nehemiah Interests LLC and options and shares on exercise of options to USPDG	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	To Amendment of constitution – reduce maximum number of Directors to 5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	To Amendment of constitution – allow appointment of 1 director by Nehemiah Interests LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2013