



16 June 2013

Companies Announcements Office
ASX Limited
Exchange Square
20 Bridge Street
SYDNEY, NSW, 2000

Dear Stephanie

NOTICE UNDER SECTION 708A OF THE CORPORATIONS ACT 2001

Further to ComOps Limited (ASX:COM) (**ComOps** or the **Company**) announcement of 6 June 2014, the Company has today issued 64,800,000 million fully paid ordinary shares at \$0.025 per share to raise \$1.62 million before costs (**Placement**).

ComOps issued the shares under the Placement without disclosure to investors under Part 6D of the Corporations Act 2001 (**Corporations Act**).

The Board advises that a further 1,200,000 fully paid ordinary shares will be issued at \$0.025 per share to professional and sophisticated investors (who are not related parties of the Company), raising a further \$30,000, on or around 20 June 2014 (**Final Placement**).

Following allotment and issue of shares under the Placement the issued capital of the Company comprises 386,862,291 fully paid ordinary shares and 12,333,333 options.

Following the allotment of shares under the Final Placement the issued capital of the Company will comprise 388,062,291 fully paid ordinary shares and 12,333,333 options.

This notice is given by the Company under section 708A(5)(e) of the *Corporations Act*.

As at the date of this notice, the Company has complied with:

- (a) the provisions of Chapter 2M of the *Corporations Act* as they apply to the Company; and
- (b) section 674 of the *Corporations Act*.

The Company confirms that other than as set out below (in relation to the Korellus ERP Sale Dispute and the non-binding agreement to acquire a complimentary workforce management software business, announced on 16 April 2014), as at the date of this notice, there is no information that:

- (a) has been excluded from a continuous disclosure notice given to the ASX in accordance with the ASX Listing Rules; and
- (b) investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to fully paid ordinary shares.

Korellus ERP Sale Dispute Update

The Company wishes to take this opportunity to update shareholders in relation to its sale of the Korellus ERP business (**Korellus**) to Markinson Software Solutions Pty Limited (**Markinson**).

As previously announced, upon settlement of the sale of Korellus on 30 August 2013, Markinson paid the company an initial purchase amount of \$2.85 million. Accordingly, \$1.35 million (of the total \$4.2 million sale consideration) was held back by Markinson as contingent consideration that would only become payable in certain circumstances which are linked to a net tangible asset calculation.

As noted in the Company's ASX Announcement of 24 March 2014, disputes have arisen in relation to the Korellus sale (for which proceedings have been commenced in the Supreme Court of NSW) and the associated net tangible asset calculation (which is expected to be referred to expert determination, in accordance with the sale agreement).

The parties are currently in discussions to resolve these disputes.

Non-binding agreement to acquire a workforce management software business

On 16 April 2014 the Company announced that it had signed a non-binding term sheet (**Term Sheet**) to acquire a complimentary workforce management software business. Technical, financial and commercial due diligence (**Due Diligence**) is currently underway.

Following Due Diligence and subject to the outcome of Due Diligence, the Company expects to move forward by negotiation the final acquisition terms, to finalise legal documentation and seek, if required, shareholder approval to complete the acquisition.

Under the Term Sheet it is envisaged that the Company may provide a fully secured loan to the vendors, which would on settlement be part of the sale consideration or be repaid under the terms of the fully secured loan documentation should a sale not be completed.

As at the date of this release Due Diligence is ongoing and further announcements will be made as appropriate.

On behalf of the Board of Directors

Yours faithfully



Niall Cairns
Chairman