



LOOP MOBILE LIMITED

ABN 35 111 082 485

NOTICE OF ANNUAL GENERAL MEETING 2008

Dear Shareholder,

On behalf of the Board, I have pleasure in inviting you to the Annual General Meeting of the members of Loop Mobile Limited.

The meeting will be held at the offices of PKF, Level 10, 1 Margaret Street, Sydney on Wednesday 19 November 2008, commencing at 2.00pm.

The formal Notice of Meeting is attached. Please read this carefully.

If you have elected to receive a hard copy of the Company's Annual Report, a copy of that Report is attached to this Notice. A copy of the Annual Report is also now available on the Company's website (www.loopmobilelimited.com).

Your Directors are of the opinion that the resolutions to be proposed at the Annual General Meeting are in the best interests of shareholders of the Company, noting that where a Director has an interest in the outcome of a resolution they have refrained from making a recommendation. Accordingly, where applicable, they recommend you vote in favour of the resolutions set out in the Notice of Meeting.

Yours Faithfully,

G McCann
Chairman
17 October 2008

NOTICE OF ANNUAL GENERAL MEETING 2008

The Annual General Meeting of Loop Mobile Limited will be held at the offices of PKF, Level 10, 1 Margaret Street, Sydney on Wednesday 19 November 2008, commencing at 2.00pm.

A G E N D A

BUSINESS

Consideration

Annual Accounts and Reports

To receive and consider the Income Statements, Balance Sheets and Cash Flow Statements of the Company and its controlled entities, the Statement by the Directors and the Reports of the Directors and Auditors for the year ended 30 June 2008.

Resolution 1 - Election of Director

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

“That Mr Stuart Simson retires in accordance with Article 13.2 of the Constitution and being eligible, offers himself for re-election, be re-elected a Director.”

Resolution 2 - Election of Director

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

“That Mr Ian Rodwell retires in accordance with Article 13.5 of the Constitution and being eligible, offers himself for re-election, be re-elected a Director.”

Resolution 3 - Election of Director

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

“That Mr Peter Yates retires in accordance with Article 13.5 of the Constitution and being eligible, offers himself for re-election, be re-elected a Director.”

Resolution 4 - Remuneration Report

To consider, and if thought fit, pass the following non-binding ordinary resolution:

“That the Company’s Remuneration Report for the year ended 30 June 2008 be adopted.”

Resolution 5 – Approval of Issue of Director Options to Ian Rodwell

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

“That, for the purposes of Listing Rule 10.11 of the ASX Listing Rules and for all other purposes, approval is given for the Company to issue and allot 3,000,000 Options to Ian Rodwell or his nominee.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by Ian Rodwell, and any associates of Ian Rodwell.

However, in relation to Resolution 5, the Company will not disregard a vote if it is cast by:

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

It is the Chairman’s intention to vote open proxies in favour of all Resolutions.

Resolution 6 –Approval of Staff Share Option Plan

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

“That, for the purposes of Listing Rule 7.2 (Exception 9) of the ASX Listing Rules and for all other purposes, approval is given for the Company to adopt a staff share option (**Plan**), a summary of which is set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by the Directors of the Company, and any of their associates.

However, in relation to Resolution 6, the Company will not disregard a vote if it is cast by:

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

It is the Chairman's intention to vote open proxies in favour of all Resolutions.

Resolution 7 – Appointment of Auditor

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

"That, for the purposes of section 327B(1) of the Corporations Act 2001, PKF, having consented in writing to act as auditors of the Company, be appointed as the auditor of the Company, effective upon the resignation of the existing auditors, Grant Thornton."

Resolution 8 – Change to Constitution

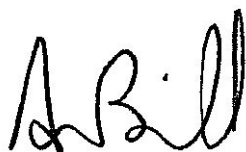
To consider and, if thought fit, to pass the following resolution as a special resolution of the Company:

"That Article 15.3 of the Company's constitution be amended as outlined in this notice of meeting."

Explanatory Notes

Attached to and forming part of this Notice of Meeting are the Explanatory Notes which provide shareholders with background information and further details on the resolutions to be considered at the meeting, in accordance with the Listing Rules of the Australian Securities Exchange.

By Order of the Board



AW BURSILL
COMPANY SECRETARY
17 October 2008

EXPLANATORY NOTES:

These explanatory notes form part of the Notice of Annual General Meeting ("Notice") of Loop Mobile Limited ("Company") to be held at the offices of PKF, Level 10, 1 Margaret Street, Sydney on Wednesday 19 November 2008, commencing at 2.00pm.

Consideration of Financial Report

The Financial Report for the year ended 30 June 2008 is set out in the Company's 2008 Annual Report. In accordance with the Corporations Act 2001, shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Financial Report and on the business and management of the Company.

During the discussion of this item, the Company's auditor will be present and will answer qualifying questions.

Written questions for the auditor

If you would like to submit a written question to the Company's auditor, please post your question to the Company Secretary or fax it to (612) 9419 2944. Written questions must relate to the content of the auditor's report to be considered at the Annual General Meeting or the conduct of the audit. A list of qualifying questions will be made available at the Annual General Meeting.

Please note that all questions must be received at least five business days before the Annual General Meeting, that is by no later than 2.00pm on Wednesday 12th November 2008.

Resolution 1 – Re-election of Director

Article 13.2 of the Company's Constitution requires one-third of Directors to retire from office at the Company's annual general meeting. The retiring Director, Stuart Simson, is eligible for re-election and accordingly submits himself for re-election as a Director of the Company.

Resolutions 2 and 3 – Re-election of Directors

Article 13.5 of the Company's Constitution requires that Directors who were appointed during the year to either fill a casual vacancy or as an addition to the Board hold office only until the next annual general meeting where they are then eligible for re-election. The retiring Directors, Ian Rodwell and Peter Yates, are eligible for re-election and accordingly submit themselves for re-election as Directors of the Company.

Resolution 4 – Remuneration Report

As required under the Corporations Act 2001, listed companies are required to provide enhanced disclosure of director's remuneration in the Company's Annual Report.

The company is now required to propose to its shareholders at its AGM a non-binding advisory resolution on the Remuneration Report prepared by the Directors, and to allow questions and comments on this Remuneration Report by shareholders.

Resolution 5 – Approval of Director Options to Ian Rodwell

Resolution 5 seeks the approval of shareholders to issue and allot 3,000,000 options to Ian Rodwell, the Company's Managing Director, or his nominee, to incentivise his future performance (**Director Options**).

As part of the Company's initial public offering, the Directors were granted 11,000,000 options during July 2007, vesting over a period of 2 years, with the options expiring in June 2012. These options have an exercise price of 20c each and an assessed valuation of \$902,000.

Of the initial grant of options, Mr Rodwell received 3,000,000 options with an assessed valuation of \$246,000. At the time of the grant of the options, Mr Rodwell was the Head of Technology and Product Development. Mr Rodwell has recently been appointed as the Managing Director and Chief Executive Officer.

During December 2007, the Company issued a further 1,765,000 options to staff. These options vest over a period of 2 years, with the options expiring in June 2012. These options have an exercise price of 20c each and an assessed valuation of \$40,596. Mr Rodwell did not receive a grant of any of the staff options.

It is proposed to issue Mr Rodwell a further 3,000,000 Director Options with an exercise price of 10c and an expiry date of 25 July 2013, with the Director Options to vest over a period of 2 years from allotment. The Director Options have an assessed valuation of \$88,500 (using a price per option of 2.95c) based on the assessed fair value of the Director Options as calculated by Stantons International Securities Pty Ltd ("SIS"). It is noted that the valuation by SIS that the options are in the range of **2.01 cents** to **3.19 cents** per Director Option, based on volatilities ranging from 100% to 300%. A copy of the report of valuations is attached at Appendix "A".

The fair value has been independently determined using a Black-Scholes option pricing model that takes into account the Exercise Price, term of the Director Option, the impact of dilution, the Share price at grant date, the expected volatility of the underlying Share, the expected dividend yield and the risk free rate for the term of the Director Option.

The model inputs for the calculation of the range of values of these Director Options included:

- (i) Director Options are granted for no consideration, have a maximum life of 4.75 years, with all Director Options vesting immediately;
- (ii) Grant Date: 19 November 2008;
- (iii) Exercise Price: \$0.10;
- (iv) Latest expiry date: 25 July 2013;
- (v) Share price at valuation date: \$0.04;
- (vi) Expected price volatility of the Shares: 175%;
- (vii) Expected dividend yield: Nil; and
- (viii) Risk-free interest rate: 6.5%.

It is noted that the valuation has included a discount of 20% on the basis that the options will not be listed on the Australian Stock Exchange.

Each of Greg McCann, Stuart Simson, Christine Kennedy and Peter Yates, none of which have an interest in the outcome of the Resolution, have recommended the passing of Resolution 5 on the grounds that it is in the interests of the Company to reward Ian Rodwell for the successful performance of the Company, and to give him an incentive to build the business of the Company as an Option Holder.

The remuneration of the Directors for the year ending 30 June 2008 (noting, for the sake of clarity, that this is exclusive of the proposed Director Options, being the subject of Resolution 5) is as follows:

2008	SHORT- TERM			POST-EMPLOYMENT		SHARE-BASED		Total
	Salary & Fees \$	Consultancy Fees \$	Non monetary benefits \$	Super-annuation \$	Retirement benefits \$	Shares \$	Options \$	
Non-Executive Directors								
G McCann	89,067	-	-	8,016	-	-	71,750	168,833
M Hoffman	279,401	-	2,599	45,000	-	-	358,751	685,751
S Simson	-	-	-	30,000	-	-	71,750	101,750
C Kennedy	33,761	-	-	3,039	-	-	71,750	108,550
Executive Directors								
I Rodwell	184,100	-	5,564	18,000	-	-	215,249	422,913
TOTAL	586,329	-	8,163	104,055	-	-	789,250	1,487,797

After the passing of the Resolution 5 and Resolution 6 below, the capital structure of the Company will be as follows:

Security Holder	Ordinary Shares	Director / Employee Options (20c)	Listed Options (10c)	Director / Employee Options (10c)*	Total (all shares and options)
Ian Rodwell	3,160,000	3,000,000	5,000	3,000,000	9,165,000
Others	77,784,579	9,765,000	10,294,959	2,350,000	100,194,538
Total	80,944,579	12,765,000	10,299,959	5,350,000	109,359,538

* On the basis that Resolutions 5 and 6 are passed at the meeting of shareholders.

After the passing of the Resolution 5 and Resolution 6 below, the Directors interests in shares and options of the Company will be as follows:

Security Holder	Ordinary Shares	Director / Employee Options (20c)	Listed Options (10c)	Director / Employee Options (10c)*	Total (all shares and options)
Greg McCann	Nil	1,000,000	Nil	Nil	1,000,000
Ian Rodwell	3,160,000	3,000,000	5,000	3,000,000	9,165,000
Stuart Simson	Nil	1,000,000	Nil	Nil	1,000,000
Christine Kennedy	Nil	1,000,000	Nil	Nil	1,000,000
Martin Hoffman	2,070,000	5,000,000	10,000	Nil	7,080,000
Peter Yates	12,321,248	Nil	2,053,542	Nil	14,374,790
Total	17,551,248	11,000,000	2,068,542	3,000,000	33,619,790

* On the basis that Resolutions 5 and 6 are passed at the meeting of shareholders.

ASX Listing Rule 10.11 states that an entity must not issue or agree to issue equity securities to any of the following persons without the approval of holders of ordinary securities:

- (a) related party; and
- (b) a person whose relationship with the entity or a related party is, in the ASX's opinion, such that approval should be obtained.

If shareholder approval is obtained under Listing Rule 10.11, further approval is not required under Listing Rule 7.1 (see Listing Rule 7.2, Exception 14).

Section 208 of the Corporations Act requires the Company to obtain shareholder approval and to comply with the Corporations Act in relation to the Resolution 5. The Corporations Act requires that, except in certain specific situations, a public company may not give a financial benefit to a related party, without prior shareholder approval.

The maximum number of Staff Options to be issued under the Plan is set out below:

Maximum Number of "A" Class Staff Options to be issued:	1,175,000
Maximum Number of "B" Class Staff Options to be issued	587,500
Maximum Number of "C" Class Staff Options to be issued	587,500

A summary of the terms and conditions of the Plan is set out below. Subject to these terms and conditions, each Staff Option will entitle the holder ("**Holder**") to subscribe for one fully paid ordinary share in Loop ("**Share**") at an issue price of A\$0.10 each ("**Exercise Price**").

- The earliest exercise date of the "A" Class Staff Options is 15 December 2008.
- The earliest exercise date of the "B" Class Staff Options is 15 December 2009.
- The earliest exercise date of the "C" Class Staff Options is 15 December 2010.
- All Staff Options will expire on 25 July 2013 ("**Expiry Date**"). Staff Options not exercised on or before the Expiry Date will automatically lapse.
- If permitted by the Loop Board, Staff Options may be issued to a nominee of the Holder.
- The Staff Options are not transferable except with the prior consent of the Loop Board.
- If, prior to any earliest Exercise Date, the Holder ceases to be an employee of Loop for any reason (other than permanent disability, redundancy or death, or by resolution of the Board), the Staff Options having that and any later earliest exercise Date will automatically lapse.
- Shares issued and allotted pursuant to the exercise of Staff Options will rank equally in all respects with the then existing Shares and will be subject to the provisions of the Constitution.
- Subject to the following paragraphs, a Staff Option does not confer the right to participate in new issues of securities by the Company without first exercising the Staff Option. However, the Company will ensure that for the purpose of determining entitlements to any such issue, the Company will notify the Staff Option holder of the details of the new issue by the relevant date for the particular issue as determined in accordance with the Listing Rules;
- Adjustments to the number of Shares underlying each Staff Option and/or the Exercise Price will be made in accordance with the requirements of the Listing Rules to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues;
- The terms of the Staff Options do not prevent the Staff Options being reconstructed as required by the Listing Rules on a reconstruction of the Company's issued capital;

Granting an option is included in the concept of giving a "financial benefit" (Section 229(3)(e) of the Corporations Act) and a director of a public company is a "related party" of that public company (Section 228 of the Corporations Act).

In accordance with the disclosure requirements of Listing Rule 10.13 and Section 208 of the Corporations Act:

- A. The Company proposes to issue the Director Options to Ian Rodwell or his nominee.
- B. The maximum number of securities that the Company proposes to issue to Ian Rodwell or his nominee pursuant to this Resolution is 3,000,000 Director Options.
- C. The Company proposes to issue the Director Options pursuant to this Resolution as soon as reasonably practicable after this Resolution is approved by Shareholders, but in any case by no later than 1 month after the date of the Meeting.
- D. Ian Rodwell is a Director of the Company.
- E. The number of Director Options to be issued is set-out below:

Maximum Number of "A" Class Director Options to be issued:	1,500,000
Maximum Number of "B" Class Director Options to be issued	725,000
Maximum Number of "C" Class Director Options to be issued	725,000

- F. The Director Options are proposed to be issued on the following material terms:
 - Subject to these terms and conditions, each Director Option will entitle the holder ("**Holder**") to subscribe for one fully paid ordinary share in Loop ("**Share**") at an issue price of A\$0.10 each ("**Exercise Price**").
 - The earliest exercise date of the "A" Class Director Options is 19 November 2008.
 - The earliest exercise date of the "B" Class Director Options is 19 November 2009.
 - The earliest exercise date of the "C" Class Director Options is 19 November 2010.
 - All Director Options will expire on 25 July 2013 ("**Expiry Date**"). Director Options not exercised on or before the Expiry Date will automatically lapse.
 - If permitted by the Loop Board, Director Options may be issued to a nominee of the Holder.
 - The Director Options are not transferable except with the prior consent of the Loop Board.
 - If, prior to any earliest Exercise Date, the Holder ceases to be an employee of Loop for any reason (other than permanent disability, redundancy or

death, or by resolution of the Board), the Director Options having that and any later earliest exercise Date will automatically lapse.

- Shares issued and allotted pursuant to the exercise of Director Options will rank equally in all respects with the then existing Shares and will be subject to the provisions of the Constitution;
 - Subject to the following paragraphs, a Director Option does not confer the right to participate in new issues of securities by the Company without first exercising the Director Option. However, the Company will ensure that for the purpose of determining entitlements to any such issue, the Company will notify the Director Option holder of the details of the new issue by the relevant date for the particular issue as determined in accordance with the Listing Rules;
 - Adjustments to the number of Shares underlying each Director Option and/or the Exercise Price will be made in accordance with the requirements of the Listing Rules to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues;
 - The terms of the Director Options do not prevent the Director Options being reconstructed as required by the Listing Rules on a reconstruction of the Company's issued capital;
 - In the event of any reconstructions of the Company's issued capital, Director Options will be treated in the following manner:
 - In the event of a consolidation of the Shares, the number of Director Options will be consolidated in the same ratio as the Shares and the Exercise Price will be amended in inverse proportion to that ratio;
 - In the event of a subdivision of the Shares, the number of Director Options will be subdivided in the same ratio as the Shares and the Exercise Price will be amended in inverse proportion to that ratio;
 - In the event of a pro-rata cancellation of Shares, the number of Director Options will be reduced in the same ratio as the Shares and the Exercise Price will be amended in inverse proportion to that ratio; and
 - In the event of any other reconstruction of the issued capital of the Company, the number of Director Options or the Exercise Price or both will be reconstructed (as appropriate) in a manner which will not result in any benefits being conferred on the holders of the Director Options which are not conferred on Shareholders;
 - The Company will apply to the ASX for, and will use its best endeavours to obtain, quotation or listing of all Shares issued and allotted on the exercise of a Director Option but gives no assurance or undertaking that such quotation or listing will be granted or maintained;
 - If the Company is liquidated, all unexercised Director Options will lapse.
- G. There will be no funds raised by the issue of the Director Options under this Resolution.

H. In accordance with Listing Rule 10.13.6, the Company will disregard any votes cast on the Third Resolution by:

- Ian Rodwell or his nominee; and
- any Associate of Ian Rodwell or his nominee.

However, the Company will not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 6 – Approval of Staff Share Option Plan

Resolution 6 seeks the approval of Shareholders for the adoption of a staff share option plan (**Plan**).

Resolution 6 is placed before Shareholders in accordance with Exception 9 of Listing Rule 7.2. If Resolution 6 is passed, the Company will be able to issue options under the Plan (**Staff Options**) without impacting on the Company's ability to issue up to 15% of its total ordinary securities without shareholder approval in any 12 month period.

Shareholders should note that no options have previously been issued under this Plan, although a total of 1,765,000 options were issued to employees under the Company's previously approved Staff Option Plan. The objective of the Plan is to attract, motivate and retain key employees.

A copy of the Plan can be sent to you on written request to the Company. It is considered by the Directors that the adoption of the Plan and the future grant of options under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company. The Directors may, in their absolute discretion, determine those eligible employees to whom an offer to participate in the Plan will be made. Directors are not eligible to participate in this plan.

There will be no funds raised by the issue of the Staff Options under this Resolution.

- In the event of any reconstructions of the Company's issued capital, Staff Options will be treated in the following manner:
 - In the event of a consolidation of the Shares, the number of Staff Options will be consolidated in the same ratio as the Shares and the Exercise Price will be amended in inverse proportion to that ratio;
 - In the event of a subdivision of the Shares, the number of Staff Options will be subdivided in the same ratio as the Shares and the Exercise Price will be amended in inverse proportion to that ratio;
 - In the event of a pro-rata cancellation of Shares, the number of Staff Options will be reduced in the same ratio as the Shares and the Exercise Price will be amended in inverse proportion to that ratio; and

- In the event of any other reconstruction of the issued capital of the Company, the number of Staff Options or the Exercise Price or both will be reconstructed (as appropriate) in a manner which will not result in any benefits being conferred on the holders of the Director Options which are not conferred on Shareholders;
- The Company will apply to the ASX for, and will use its best endeavours to obtain, quotation or listing of all Shares issued and allotted on the exercise of a Staff Option but gives no assurance or undertaking that such quotation or listing will be granted or maintained;
- If the Company is liquidated, all unexercised Staff Options will lapse.

Resolution 7 – Appointment of Auditor

The Company has received notice that Grant Thornton resigns as auditor of the Company effective from the close of this general meeting, subject to approval by the Australian Securities and Investments Commission, in accordance with section 329(5) of the Corporations Act 2001.

Where the consent of the Australian Securities and Investments Commission has been given in respect of the resignation of Grant Thornton as the Company's auditor, the Corporations Act allows the Company to appoint a new auditor to fill that vacancy at its general meeting. The Company proposes, and a shareholder has nominated, that PKF be appointed. PKF has consented to the firm's appointment.

Nomination of Auditor

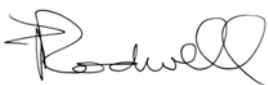
1 October 2008

Mr Andrew Bursill
Company Secretary
Suite 206, 1 Katherine Street
CHATSWOOD NSW 2067

Nomination of PKF as auditor of Loop Mobile Limited

I, Ian Rodwell, being a shareholder of Loop Mobile Limited, pursuant to section 328B(1) of the Corporations Act 2001, nominate PKF for appointment as auditor of the Company at the next Annual General Meeting of the Company.

Yours sincerely



Ian Rodwell

Resolution 8 – Change to Constitution

Article 15.3 of the Company's Constitution requires 2 Directors to be physically present at the place where the meeting is held for a quorum. Article 16 of the Constitution allows all other Directors to attend by instantaneous telecommunications device.

Given the geographical diversity of the Directors of the Company it is proposed to amend Article 15.3 of the Constitution to be as follows (with the deletions marked):

*No business shall be transacted at any Directors' meeting unless a quorum is present, comprising 2 Directors ~~present in person~~. However, subject to the provisions of the Corporations Act, a quorum is not present during consideration of a matter at a meeting of Directors unless 2 Directors are present, **either in person or in accordance with Article 16**, who are entitled to vote on a motion in relation to that matter. ~~Provided a quorum is present at the place where the meeting is held,~~ other Directors unable to attend in person may participate in the proceedings of the meeting in accordance with Article 16.*

Stantons International Securities

ABN 42 128 908 289

PTY LTD

LEVEL 1, 1 HAVELOCK STREET
WEST PERTH WA 6005, AUSTRALIA
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22 September 2008

The Directors
Loop Mobile Limited
Suite 206, 1 Katherine Street
CHATSWOOD NSW 2067

Dear Sirs

At the request of your Company Secretary, Andrew Bursill on 22 September 2008, Stantons International Securities Pty Ltd hereby set out our valuation of 3,000,000 share options (“Options”) to be granted to Ian Rodwell a director of Loop Mobile Limited (“Loop” or “the Company”) following a shareholders meeting that is expected to be completed in late October 2008. In arriving at the below mentioned valuation, we have used the following assumptions.

Assumptions

1. The Black Scholes option valuation methodology has been used.
2. The date of the valuation is as at 22 September 2008. The Options will need to be formally valued for A-IFRS purposes following shareholders approval.
3. The closing market price of a fully paid Loop share as quoted on the ASX as at 22 September 2008 is 4 cents.
4. The exercise price of the Options is 10 cents.
5. The Options expire 25 July 2013 and thus the term of the Options is deemed to be approximately 4.68 months (assume grant date 19 November 2008 for the purpose of calculating days to expiry).
6. A risk free rate is approximately 6.50%.
7. Over the past 12 months to 22 September 2008 the shares have traded between 3 cents and 14 cents for a volatility of 366%. The Company’s shares, prior to January 2008 were trading in the range of 8.1 cents to 14 cents but since January 2008 the shares have traded between 3 cents and 8.6 cents (186% volatility). Over the past four months the shares have traded between 3 cents and 7.1 cents (137% volatility) and for the last 3 months between 3 cents and 5 cents (67% volatility). It is also common for small cap telecommunication companies to have volatilities falling in the range of 50% to 100% although some company’s shares have volatilities lower or substantially higher. Taking into account the last three month trades, the share price as at 22 September 2008 (towards the low), the length of the Options (4.68 months), general prospectivity relating to its

Appendix A

MOKO project and noting the general decline in share prices of the majority of the companies listed on ASX over the past six months (and in particular, the last three months) we consider a volatility factor of 175% is considered reasonable.

8. The valuation noted below is not necessarily the market price that the Options could be traded at and it is not the market price for taxation purposes. The recipient of the Options should seek his own tax advice as to the tax treatment of receiving Options in Loop and the value for tax purposes.
9. A 20% discount has been applied for the Options not being listed on the ASX and therefore not freely tradable. Anecdotal evidence indicates that discounts of 20% to 50% for share options not being listed and freely transferable are used to discount the technical valuations arrived at under either Binomial or Black Scholes.

Based on the above assumptions the technical value of one Option is approximately 2.95 cents.

The Company may wish to disclose in the Explanatory Statement a range of values for the Options say using, in addition to the 200% volatility, volatilities of say 100%, 150% and 300%. Using such volatilities but using the other assumptions above, the Options may be valued at 2.01 cents, 2.75 cents and 3.19 cents respectively. Once granted, the Options will be formally valued for A-IFRS purposes.

Yours faithfully

STANTONS INTERNATIONAL SECURITIES PTY LTD



John Van Dieren FCA
Director