



22 July 2008

RIGHTS ISSUE and MINIMUM HOLDING SHARE BUY-BACK

CEO / BOARD CHANGES

Dear Shareholder

Rights Issue

Loop Mobile Limited (LPM, Company) is pleased to announce the timetable for a 1 for 2 non-renounceable rights issue at 5 cents per New Share, together with 1 free attaching option exercisable at 10c and expiring 25 July 2013, for every 2 New Shares issued to a Shareholder ("Rights Issue").

The Rights Issue will be conducted under a short-form prospectus. Full details of the Rights Issue are set out in the Prospectus lodged with the ASX today.

The Rights Issue will raise up to approximately \$1.5 million in total before expenses.

Interests associated with Mr Peter Yates, who is the beneficial owner of a substantial Shareholding, have made a firm commitment to take up their full Entitlement requiring an investment of \$205,354. Loop Creative Ltd (BVI), a substantial Shareholder, has made a firm commitment to take up not less than \$100,000 of its Entitlement. In addition, Loop has entered into firm commitment agreements in respect of Shortfall Securities with Western Pacific Corporate Investments Pty Ltd and Bowman Investment Holdings Pty Ltd for investments of up to \$250,000 and \$200,000 respectively.

The new capital raised by the Rights Issue will be used by the Company to continue the roll-out and marketing of its services both in Australia and overseas. As examples, we refer you to the ASX announcements made on 21 July 2008 about the launch of services with the carrier Helio in the USA, and also of the beta launch of the online version of MOKO.

Eligible Shareholders need do nothing at this time. A personalised Entitlement and Acceptance Form will be mailed to the address on the Share Register on or about the Opening Date, being Friday, 1 August 2008, and you will need to complete that Form and return it with payment by the Closing Date to participate in the Rights Issue.

The Closing Date for acceptance and payment is 5.00pm (Sydney time) on Monday, 18 August 2007.

The Acceptance Form will also allow Shareholders to apply to subscribe for Shortfall New Shares above their rights entitlement with a minimum application of \$2,000 or 40,000 New Shares.

If you decide not to accept all or part of your Entitlement, your rights will lapse as they are not transferable. These resulting Shortfall Securities will be taken up by Shareholders applying for Shortfall Securities above their Entitlement and by the two parties having provided firm commitments to take up Shortfall Securities as described in the Prospectus. Any remaining Shortfall Securities may be placed with sophisticated or professional investors by the Company in accordance with the Listing Rules.

Minimum Holding Share Buy Back

LPM is also pleased to announce a Minimum Holding Buy-Back Facility for holders of non-marketable parcels of shares, which will enable holders of less than 10,000 shares as at the Record Date of Wednesday 30 July to sell their full holding back to the company at 5c per share.

Again, eligible Shareholders need do nothing at this time. A personalised offer form will be mailed to eligible shareholders together with the Rights Issue material. The Buy-Back Facility will

also close on 18 August 2008, and completed offers for sale of shares will be accepted by the Company up to a maximum of 1,000,000 shares.

The Company believes this represents an attractive opportunity for holders of non-marketable parcels to realise their holdings at the same price as the Rights Issue raising without any brokerage costs.

The timetable for the Rights Issue and Minimum Holding Buy Back is as follows:

Key dates of the Offer	
Announcement of Offer, lodgement of Prospectus with ASIC and ASX	Tuesday, 22 July
LPM Shares trade ex-Rights Entitlement	Thursday, 24 July
Record Date to determine eligibility of Shareholders to participate under the Rights Issue and the Minimum Holding Buy Back Facility (at 7pm Sydney time)	Wednesday, 30 July
Opening Date - anticipated dispatch of Prospectus and Entitlement and Acceptance Forms to Eligible Shareholders	Friday, 1 August
Closing Date - last day for acceptance of Applications and Application Moneys; and of Buy Back Acceptances (at 5pm Sydney time)	Monday, 18 August
New Shares and New Options trade on deferred settlement basis	Tuesday, 19 August
Allotment and issue of New Shares and New Options	Friday, 22 August
Trading of New Shares and New Options expected to commence	Monday, 25 August
Dispatch of Transaction Confirmation Statements, and of advices of direct deposit of Minimum Holding Buy Back amounts	Tuesday, 26 August

These dates are subject to change and are indicative only. Loop reserves the right, subject to the Corporations Act and the Listing Rules, to alter this timetable at any time, and in particular, to extend the Closing Date or to withdraw the Offer without prior notice.

CEO and Board Changes

The CEO, Mr Martin Hoffman, has announced his resignation, effective 31 July, 2008, in order to focus on his other new media and technology investments. At the request of the Board and significant Shareholders, he has agreed to continue as a non-executive director of the Company.

The Board has appointed Mr Ian Rodwell as CEO and Managing Director effective 1 August 2008. Mr Rodwell is the founder of the Company, and is currently Head of Technology and Products.

The Chairman, Mr Greg McCann commented "We thank Martin for his significant contribution to the establishment of Loop Mobile as an independent public company and its progress to date, and are very pleased to have the benefit of his continuing presence on the Board. Ian will bring his tremendous passion and expertise to the wider role as we continue to develop our products and services, and exploit the growing market opportunities."

Yours Faithfully



Greg McCann
Chairman

For further information: Andrew Bursill – Company Secretary (02) 9419 2966