Mobi LIMITED

January 31, 2007

By e-lodgement

Company Announcements Office
Australian Stock Exchange Limited

Mobi Limited (Company) (ASX:MBI)
Quarterley Cash Flow Report

The Directors are pleased to announce the release of the Mobi Limited Appendix 4c Quarterly Cash Flow Report. The report shows that at the end of the December 2006 quarter the Company had cash balances totaling $717,000. Operational expenditure for this second quarter was in an amount of circa $350,000.

During this quarter the company has undergone a number of significant changes. These changes have resulted in some $415,000 of abnormal one off costs being incurred over and above operational expenditure as stated herein. These abnormal costs are by their very nature non-recurring and will not form part of future expenditure in the ensuing quarters.

As a result of the positive changes that have occurred in the company, Mobi Limited has billed approximately $47,000 for the period of which $27,000 is included in the Cash Flow Report. This income is a result of billing our IP telephony to new accounts and is expected to increase exponentially over the ensuing quarters as customers are brought on line. This projection excludes revenues from our Indian endeavors which we anticipate will bring the Company into a cash flow positive state by the final quarter of calendar year 2007.

The Directors forecast net business cash outflows for the current quarter to be circa $300,000. During this quarter it is anticipated that Mobi Limited will receive a Research and Development rebate in an amount of approximately $250,000. This should cause net outflows to be $50,000 for the current quarter.

The Directors monitor cash flow on a daily basis and consider they have the necessary policies in place to ensure the company is properly funded and will move to positive operational cash flows during this calendar year.

Yours faithfully,

Chairman
Mobi Limited

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Rule 4.7B

Appendix 4C

Quarterly report
for entities admitted
on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

Mobi Limited

ABN

98 009 805 298

Quarter ended ("current quarter")

31 December, 2006

Consolidated statement of cash flows

	Cash flows related to operating activities		Current quarter $A'000	Year to date (6 months) $A'000
1.1	Receipts from customers		32	32
1.2	Payments for	(a) staff costs	(393)	(518)
		(b) advertising and marketing	-	-
		(c) research and development	(86)	(86)
		(d) leased assets	-	-
		(e) other working capital	(326)	(490)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		8	11
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)		-	-
	Net operating cash flows		(765)	(1051)

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (6 months) $A'000
1.8	Net operating cash flows (carried forward)	**(765)**	**(1051)**
	Cash flows related to investing activities	-	-
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
		-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets		
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
		-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets		
1.11	Loans to other entities	-	(50)
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	Net investing cash flows	-	(50)
1.14	**Total operating and investing cash flows**	(765)	(1101)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	1146	1671
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	(91)
1.19	Dividends paid	-	-
1.20	Other (provide details if material)	(39)	(83)
	Net financing cash flows	1107	1497
	Net increase (decrease) in cash held	342	396
1.21	Cash at beginning of quarter/year to date	375	321
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	**Cash at end of quarter**	717	717

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	67
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter $A'000	Previous quarter $A'000
4.1 Cash on hand and at bank	717	375
4.2 Deposits at call		-
4.3 Bank overdraft		-
4.4 Other (provide details)		-
Total: cash at end of quarter (item 1.22)	717	375

Acquisitions and disposals of business entities

	Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1 Name of entity	Fabfone Pty Ltd	-
5.2 Place of incorporation or registration	Melbourne VIC	-
5.3 Consideration for acquisition or disposal	Non Cash 700,000,000 ordinary shares	-
5.4 Total net assets	$3,500,000	-
5.5 Nature of business	IP Telephony	-

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... Date: 31 /1 /2007
Company Secretary

+ See chapter 19 for defined terms.

Print name:

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.

   - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
   - 9.2 - itemised disclosure relating to acquisitions
   - 9.4 - itemised disclosure relating to disposals
   - 12.1(a) - policy for classification of cash items
   - 12.3 - disclosure of restrictions on use of cash
   - 13.1 - comparative information

3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.