DARK BLUE SEA LIMITED
ACN 091 509 796

Company Announcement

Date: 8 February, 2007

The Company's Office
Australian Stock Exchange

Dear Sir/Madam,

Re: PHOTON GROUP LIMITED OFF MARKET TAKEOVER OFFER FOR THE SHARES IN DARK BLUE SEA LIMITED – TARGET'S STATEMENT

Photon Group Limited (**Photon**) lodged a Bidder's Statement with ASIC dated 11th January 2007 pursuant to which it offered to acquire all the shares in Dark Blue Sea Limited (**DBS**) under the terms and conditions as set out in the Bidder's Statement (**Offer**). With respect to the Offer by Photon, DBS advises as follows:

(a) As required under section 633(1) Item 13 of the *Corporations Act*, DBS has lodged a Target's Statement in response to the Bidder's Statement, today (8 February 2007), with the Australian Securities and Investments Commission (ASIC).

(b) Additionally, as required under section 633(1) Item 11 of the *Corporations Act*, DBS has sent a copy of the Target's Statement to Photon today.

(c) As required under section 633(1) Item 14 of the *Corporations Act*, a copy of the Target's Statement is attached to this announcement.

(d) A copy of the Target's Statement will be mailed to all holders of shares and options in DBS in accordance with section 633(1) Item 12 of the *Corporations Act* and can also be viewed on the Company's website www.darkbluesea.com.

Yours faithfully,

Mr Richard Moore
Chief Executive Office
Dark Blue Sea Ltd

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ACN 091 509 796

TARGET'S STATEMENT

DARK BLUE SEA LIMITED ACN 091 509 796

DarkBlueSea
DIRECT NAVIGATION EXPERTS

IN RESPONSE TO THE OFFER BY PHOTON GROUP LIMITED ACN 091 524 515 TO ACQUIRE YOUR ORDINARY SHARES IN DARK BLUE SEA LIMITED ACN 091 509 796 ("TAKEOVER OFFER"), THE DIRECTORS OF DARK BLUE SEA LIMITED UNANIMOUSLY RECOMMEND THAT YOU REJECT THE PHOTON GROUP TAKEOVER OFFER

THIS DOCUMENT CONTAINS IMPORTANT INFORMATION AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt about how to deal with this document, you should consult your legal, financial or other professional adviser immediately.

HOPGOOD GANIM LAWYERS

Legal Advisers to Dark Blue Sea Ltd

IMPORTANT NOTICES

This Target's Statement is dated 8 February 2007 and is given under Part 6.5 of the *Corporations Act* by **DARK BLUE SEA LIMITED ACN 091 509 796** ("DBS") in response to the Offer made by Photon Group Limited ACN 091 524 515 ("Photon") pursuant to the Bidder's Statement dated 11 January, 2007.

You should read the Target's Statement in its entirety.

Australian Securities and Investments Commission and ASX Limited

A copy of this Target's Statement was lodged with the ASIC and provided to ASX on 8 February 2007. Neither ASIC, ASX nor any of their respective officers take any responsibility for the content of this Target's Statement.

Investment Decision

This Target's Statement does not take into account the individual investment objectives, financial or tax situation and particular needs of each DBS Shareholder. You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer for your DBS Shares.

Defined Terms

Terms used in this Target's Statement are defined in Section 1.1 below.

Information line and website

If you have any questions in relation to the Offer or this document, please call (07) 3007 0085 (for callers within Australia) or +61 7 3007 0085 (for callers outside Australia) which is available Monday to Friday between 8.30am to 5.00pm (Brisbane time). In accordance with legal requirements, calls to these numbers will be recorded.

For further information relating to the Offer can also be obtained from DBS' website at www.darkbluesea.com

Forward Looking Statements

Some of the statements contained in this Target Statement may be in the nature of forward looking statements. Such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which DBS is involved as well as general economic conditions and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected. None of DBS, any of its officers, or any person named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood in any forward looking statement, and you should not place undue reliance on these statements.

Forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

CHAIRMAN'S LETTER

8 February, 2007

Dear DBS Shareholder,

The Board of DBS unanimously recommends that you REJECT the Photon Offer

On 11 December, 2006, Photon announced its takeover bid for all of the ordinary shares in Dark Blue Sea Ltd ("DBS") that it did not already have a relevant interest in ("the Offer"), for a price of 65 cents per ordinary share.

At the same time, Photon announced that on 8 December, 2006 it had acquired 16,830,000 ordinary shares in DBS (19.8% of all the ordinary shares on issue).

On 11 January, 2007 Photon served its formal Bidder's Statement on DBS. The price for the Offer in Photon's Bidder's Statement had been increased from 65 cents to 76 cents per DBS Share.

By now, you should have received a copy of Photon's Bidder's Statement, setting out the terms and conditions of Photon's Offer, which was mailed to you on or about 25 January, 2007.

This Target's Statement contains the detailed response of the DBS Directors to the Offer and I encourage you to read its contents carefully.

After a thorough review of Photons Bidder's Statement and upon careful consideration of the Offer, each of your DBS Directors hereby recommend that you **REJECT THE OFFER.**

Your DBS Directors recommend that you **REJECT THE OFFER** for the reasons set out in detail in this Target's Statement.

To **REJECT THE OFFER**, simply do nothing and ignore the documentation sent to you by Photon.

Your DBS Directors, who collectively own or control 16.3% of the DBS Shares, **DO NOT INTEND TO ACCEPT THE OFFER**, as they consider the Offer to be inadequate.

Your DBS Directors continue to work in your best interests with a view to continuing to maximise shareholder value.

We will continue to keep you informed of all material developments in regard to the Offer.

Yours faithfully

Vernon Wills
Chairman

1. DEFINITIONS AND INTERPRETATION

1.1 In this Target's Statement unless the contrary intention appears the following words have the following meanings:

ASIC means Australian Securities and Investments Commission;

ASX means ASX Limited ACN 008 624 691;

Announcement Date has the meaning given in Section 9.1 of the Bidder's Statement;

Associate has the same meaning as in the *Corporations Act*;

Bidder's Statement means the bidder's statement dated 11 January, 2007 given by Photon to DBS on 11 January, 2007 in accordance with the provisions of Part 6.5 of the *Corporations Act*;

Conditions means the conditions to the Photon Offer as set out in Section 8.8 of the Bidder's Statement;

Corporations Act means the *Corporations Act 2001 (Cwlth)*;

DBS means Dark Blue Sea Limited ACN 091 509 796;

DBS Directors means the current directors of DBS and, as at the date of this Target's Statement, are those persons detailed in Section 4.1;

DBS Options means the options to subscribe for ordinary shares in DBS on issue as at the date of the Bidder's Statement;

DBS Optionholder means a registered holder of DBS Options;

DBS Shareholder means a registered holder of DBS Shares;

DBS Share means a fully paid ordinary share in the capital of DBS;

Listing Rules means the Listing Rules of ASX;

Offer Period means the period commencing on the date of the Offer, being 25 January, 2007 and ending on 26 February, 2007 or such later date to which the Offer has been extended;

Offer or **Photon Offer** means the takeover offer by Photon for all of the DBS Shares it does not already have a relevant interest in as described in the Bidder's Statement and **Offers** or **Photon Offers** shall have a corresponding meaning;

Photon means Photon Group Limited ACN 091 524 515;

Rights means all accretions, rights or benefits of whatever kind attaching to or arising from or in respect of the DBS Shares whether directly or indirectly including without limitation all rights to receive dividends (and any attaching franking credit), to subscribe for shares, units, notes, options or other securities and all other distributions or entitlements declared, paid, made or issued by DBS after the Announcement Date;

Target's Statement means this document.

Transfer and Acceptance Form means the form of acceptance of the Offer enclosed with the Bidder's Statement or, as the context requires, any replacement or substitute form provided by or on behalf of Photon;

1.2 In this Target's Statement, unless the contrary intention appears:

(a) the singular includes the plural and vice versa;

(b) the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association or any government agency;

(c) Australian dollars, dollars, A$ or $ is a reference to the lawful currency of Australia;

(d) words and expressions defined in the *Corporations Act* have the same meaning in this Target's Statement;

(e) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and any consolidations, amendments, re-enactments or replacements of any of them; and

(f) headings used in this Target's Statement are for ease of reference only and do not affect the meaning or interpretation of this Target's Statement.

2. INTRODUCTION

2.1 Information on DBS

DBS is a company listed on ASX and carries on the business of Internet software development and marketing within the online advertising industry, specialising in Internet domain names.

2.2 The Offer

Photon is offering to acquire all of your DBS Shares. The consideration under the Offer is $0.76 per DBS Share.

Further details in relation to the Offer are set out in Section 3 of this Target's Statement.

2.3 Assessment of the Offer

Before making a decision whether to accept or reject Photon's Offer for your DBS Shares, you should read this Target's Statement carefully and seek independent financial and taxation advice.

2.4 Director's Recommendations

The DBS Directors' recommendation is to **REJECT THE OFFER**. Further details are set out in Section 3.

2.5 Accepting the Offer

The DBS Directors have unanimously recommended that you **REJECT THE OFFER**. However, if, despite that, you want to accept the Offer, you must follow the instructions set out in Section 8.4 of the Bidder's Statement, as well as the instructions on the Transfer and Acceptance Form.

2.6 Effect of Accepting the Offer

If you accept the Photon Offer and the Offer becomes unconditional, you will receive $0.76 in respect of each DBS Share for which you accept the Offer.

Subject to any statutory withdrawal rights that may arise, once you accept the Photon Offer (even while it remains subject to the Conditions), you will:

- give up your right to sell your DBS Shares to anyone else, including selling them on ASX or accepting any superior proposal that may emerge;
- give up your right to otherwise deal with your DBS Shares; and
- lose any Rights attaching to your DBS Shares as at the date of your acceptance.

However, you will be entitled to receive any increase that Photon makes to the Offer consideration after your acceptance.

Complete details of the effect of acceptance of the Photon Offer are set out in Section 8.6 of the Bidder's Statement. You should read that section in full to understand the effect that acceptance will have on your ability to exercise the Rights attaching to your DBS Shares, and representations and warranties that you give if you choose to accept the Photon Offer. The Rights you will give up will include your voting rights and entitlement to any dividends from the date of your acceptance of the Offer.

You will only have statutory rights to withdraw your acceptance if:

- the Offer is varied in such a way as to postpone for more than one month, the time by which Photon has to meets its obligations under the Offer; and
- if the Conditions attaching to the Offer have not been satisfied or waived by Photon before the end of the Offer Period.

Except in these limited circumstances, if you accept the Photon Offer, you will give you your rights to sell your DBS Shares or to accept any completing offer, if such an offer were made, during the Offer Period.

If this variation occurs, a notice will be sent to you at the relevant time that explains your rights to withdraw your acceptance of the Offer.

2.7 Rejecting the Offer

If you wish to reject the Offer you need not take any action.

3. SUMMARY OF PHOTON'S OFFER

The information below is a summary only of Photon's Offer. Please refer to Sections 8 of the Bidder's Statement for the full terms and conditions of the Offer. Before making any decision in relation to your DBS Shares, you should read the Bidder's Statement and this Target's Statement.

3.1 The Offer

Photon is offering to acquire your DBS Shares by way of an off-market takeover bid. You may accept the Offer for some or all of your DBS Shares.

The DBS Directors note that Section 8.6 of the Bidder's Statement states that:

"(a) By:

(i) completing, signing and returning an Transfer and Acceptance Form in accordance with Sections 8.4(b), (c)(ii)B or (d); or

(ii) causing the Offer to be accepted in accordance with the ASTC Settlement Rules if Your DBS Shares are in a CHESS Holding;

you will, or will be deemed to, have:

(i) subject to section 650E of the Corporations Act and Section 8.5, irrevocably accepted this Offer in respect of all Your DBS Shares;"

DBS' advisers have raised a concern in respect of Section 8.6(a) of the Bidder's Statement with the advisers of Photon.

Photon has confirmed to DBS' advisers, that, where a DBS Shareholder accepts Photon's Offer for only part of their DBS Shares, then clause 8.6 of the Photon Offer, which deals with the effect of acceptance, relates only to those DBS Shares which have been the subject of an acceptance where a DBS Shareholder accepts the Photon Offer for less than the total number of DBS Shares held by that shareholder.

3.2 Consideration

The consideration under the Offer is $0.76 for each DBS Share.

If you accept the Offer, the cash which you are entitled to receive for your DBS Shares will be paid to you by the end of whichever of the following periods ends earliest:

(a) one month after the Offer is accepted or, if the Offers is subject to a defeating condition when accepted, within one month after the Offer becomes unconditional; and

(b) 21 days after the end of the Offer Period.

Further details are set out in Section 8.9 of the Bidder's Statement.

3.3 Conditions

DBS Shareholders should note that the Offer is subject to a number of Conditions and the Offer will lapse unless these Conditions are either satisfied or waived prior to the end of the Offer Period. The Conditions are set out in full in Section 8.8 of the Bidder's Statement.

3.4 Scheduled Closing Date

Photon's Offer is scheduled to close at 7.00pm (Sydney time) on 26 February 2007. However, the Offer may be extended or withdrawn by Photon in accordance with the *Corporations Act* (see Section 8.3 of the Bidder's Statement). However, Photon cannot close the Offer earlier than this date, except in accordance with the *Corporations Act*.

3.5 How to accept the Offer

Full details of how to accept the Offer are set out in Section 8.4 of the Bidder's Statement.

Your acceptance must be received before the Offer closes.

3.6 Enquiries

If you have any queries in relation to the Offer, you should contact your financial, legal or other professional adviser.

DBS has set up a shareholder information line. If you have any questions in relation to the Offer, you can call the shareholder information line on (07) 3007 0085 (for callers within Australia) or +61 7 3007 0085 (for callers outside Australia) which is available Monday to

Friday between 8.30am to 5.00pm (Brisbane time). In accordance with legal requirements, calls to these numbers will be recorded.

4. RECOMMENDATION OF THE DIRECTORS OF DBS

4.1 The Directors

The following are directors of DBS as at the date of this Target's Statement:

Vernon Alan Wills
Non-Executive Chairman

Richard Edward Moore
Chief Executive Officer

Joseph Michael Ganim
Non-Executive Director

4.2 Directors' Recommendation

The directors of DBS consider themselves independent for the purposes of the Offer and are able to make a recommendation to the DBS Shareholders. The interests of each DBS Director are set out in Section 5. The experience of the DBS Directors and the continuity of management of DBS are set out in Section 4.2(f) of this Target's Statement.

In assessing the Offer, the DBS Directors have had regard to a number of considerations, including the information set out in the Bidder's Statement.

In considering whether to accept the Offer, the DBS Directors encourage you to:

- read the whole of this Target's Statement together with the Photon Bidder's Statement;
- ensure that you understand the consequences of accepting or rejecting the Photon Offer, as noted in this Target's Statement and the Bidder's Statement;
- consider your alternatives as outlined in this Target's Statement;
- understand that the DBS Directors have not commissioned an independent expert's report in respect of the Photon Offer for the reasons contained in this Target's Statement;
- have regard to the current and historical share price of DBS Shares;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- obtain advice from your legal, financial or other professional adviser if you are in any doubt as to what you should do.

Each of the DBS Directors recommends that the Offer be rejected for the following reasons:

WHY YOU SHOULD REJECT THE OFFER

(a) **DBS Business Model**

(i) DBS operates in a small niche sector of the online advertising industry, being Internet domain names monetisation or "direct navigation" as it has become known.

(ii) The domain name monetisation/direct navigation sector is essentially a stand alone industry originally established by a number of high net worth individuals and a few companies such as DBS who saw an opportunity to acquire large numbers of domain names that were available for registration on a first come first served basis around the same time as the dotcom boom of 2001/2002.

(iii) The value of a large scale domain name portfolio predominantly lies in its ability to generate Internet "traffic" (the term used to collectively describe Internet users and the flow of activity of such users on the Internet). Advertising revenue is generated by the domain name portfolio owners through selling the Internet traffic to Internet advertisers.

(iv) It is a business model that does not have any downstream suppliers, other than the domain name registrars through whom domain name portfolio owners register or renew each individual domain name. DBS already has its own accredited domain name registrar, owned by its wholly owned subsidiary, Fabulous.com Pty Ltd.

(v) As stated above, DBS generates its advertising revenue from its domain name portfolio by selling the domain name traffic to online advertisers, in particular, to those companies operating paid placement/keyword search portals.

(vi) To the best of the knowledge of the DBS Directors, Photon does not operate its own paid placement/keyword search portal. In any event, there are only a selected number of upstream advertising partners operating paid placement/keyword search portals (Google, Yahoo! and Microsoft) to whom it is commercially viable for DBS to sell its domain name traffic, so there is no opportunity for vertical integration on the customer side of the supply chain of DBS' business.

(vii) Furthermore, to the best of the knowledge of the DBS Directors, Photon does not have an existing commercial relationship in the DBS business space with any of the abovementioned companies. However, DBS has established a strong and successful working relationship with several of these companies over the last four years. Therefore, in the opinion of the DBS Directors, Photon would not be in a position to negotiate more favourable commercial terms with these companies than what DBS has been able to negotiate directly.

(viii) Photon commented in Section 3.2 of the Bidders Statement that if the takeover is successful, DBS can leverage off Photon's existing business units (and vice versa).

(ix) The DBS Directors have considered the existing business units of Photon and, based on the public information which is available in respect of the business units and operations of Photon, it is difficult to see that any of Photon's existing business units provide any such natural synergy or leverage opportunities for DBS.

(x) As stated in Section 2.3 of the Bidder's Statement, Photon's existing business units comprise of a diverse range of advertising and marketing companies.

However, to the knowledge of the DBS Directors, Photon does not operate any businesses either upstream or downstream in the supply chain of DBS' core business. Accordingly, the DBS Directors do not see where there is any opportunity for vertical integration of the operations of DBS with those of the Photon Group.

(xi) Over the last four years, DBS has been progressively acquiring an extensive domain name portfolio which currently comprises of approximately 545,000 domain names. DBS has also established itself as a market leading full service provider in the domain name monetisation/direct navigation sector of the online advertising industry.

(xii) DBS has been able to reach this point in its evolution, while delivering consistently impressive results along the way, without requiring any additional capital or debt to fund its domain name acquisitions and continue to develop and improve its business.

(xiii) Over the last couple of years there has been a significant amount of merger and acquisition activity in the sector in which DBS operates, resulting in both a consolidation of the number of participants in the industry and a shift in the ownership of domain name portfolios, with many of the large scale domain name books moving from individuals to public companies and private equity backed groups.

(xiv) Given this industry consolidation and the increasing scarcity of quality domain names, the DBS Directors believe that suitably priced investment opportunities are rare and will continue to be so.

(xv) Due to the absence of suitable investment opportunities, DBS has been in the fortunate position of being able to return excess capital to DBS Shareholders via a combination of its on-market share buy backs and recent dividend payment, while still maintaining sufficient cash reserves to fund the ongoing business operations.

(xvi) Accordingly, based on the lack of vertical integration opportunities offered to DBS by Photon and the current favourable funding position of DBS, the DBS Directors do not believe that there is a compelling case for the introduction of a new parent company into DBS' existing corporate structure, either from a synergistic or funding perspective.

(b) **The Offer undervalues the current and potential value of DBS and your DBS Shares.**

(i) *Background information*

(A) Most of DBS' wealth is contained in its domain name portfolio. As has been explained in detail in the Managing Director's Report of DBS' 2006 Annual Report, domain names are the real estate of the Internet.

(B) Domain names have very similar characteristics to traditional or "offline" real estate. Domain names can be bought, sold or leased. They can be developed in a variety of different ways and so will often be subjectively valued, depending on the particular buyer and their intended use of the domain.

(C) Domain name portfolios are difficult to value because, like real estate, each domain is unique. Furthermore most domain names trade privately and only a small percentage of domain name transactions are formally reported. Different types of buyers can pay significantly different prices for the same domain. Finally, the value of domain names has been growing strongly since the market bottomed in 2002, so older transaction data is not always a useful guide to current values.

(D) In addition, to the difficulties of valuing an individual domain, the portfolio of domain names that Dark Blue Sea has accumulated has some unique and irreplaceable characteristics. For example, Mr Richard Moore, the Chief Executive Officer of DBS, who has credible knowledge in the sector is unaware of any company which has a larger portfolio of search backed generic dot com domain names and location specific domain names than DBS in the world.

(ii) *Revenue streams from domain name portfolios*

(A) Like offline real estate, it is possible to use standard financial techniques to support the prices at which individual domains and portfolios are traded. Domain name portfolios generate revenue form two sources – advertising and secondary market domain sales.

(B) Domain name portfolios generate an annuity style revenue stream based on selling advertising through direct navigation. Historically, the revenue generated from domain name portfolios has been growing strongly in line with the strong growth in the online advertising industry and the progressively wider recognition of the value of direct navigation traffic. Most industry commentators expect the industry to continue to grow strongly over the next few years. In this regard, revenue from domain name portfolios is also likely to increase.

(C) Using standard discounted cash flow techniques, this annuity style revenue stream can be valued, but like all long tail discounted cash flow models, the results are substantially dependent on expectations of future cash flow and the discount rate applied. In the domain name industry discounted cash flow stream is typically converted into a multiple of current advertising revenue. This is financially equivalent to a starting yield.

(D) Beyond advertising revenue, additional value from a domain name portfolio can be created by selling domain names typically to end user retail or SME buyers. A typical retail buyer does not buy a domain name based on advertising revenue. They are buying the domain name as the foundation for their personal website or online business, the cost of which is a small but necessary part of the overall cost of establishing an online presence. Due to the difference in value of a domain name to a retail buyer (compared to a wholesale buyer), a typical retail domain sale occurs at approximately ten times wholesale prices.

(E) Relative to number of transactions that occur in the wholesale market, the number of transactions is relatively small. A typical domain name portfolio might only sell 1% of their inventory per annum at retail prices. The market is illiquid but every domain name that is sold at retail prices adds incremental value. From a financial perspective the incremental value that domain name sales can provide is a function of stock turn and markup. As an early stage industry, quantifying the outlook for these two parameters is extremely difficult and is one of the major variable factors in valuing DBS' domain name portfolio from a financial perspective.

(F) Most of DBS' advertising revenue comes from slightly more that 100,000 domains. DBS has more than 400,000 domain names that are currently "unprofitable". DBS continues to hold these unprofitable domain names for two reasons. Firstly, as the advertising industry continues to grow, some of these unprofitable domains will be become profitable. Secondly, most of the unprofitable domain names are suitable for holding as inventory for resale.

(G) DBS is in the process of rolling out its secondary market domains for sale business and has already announced partnerships with major distribution sources and is in ongoing negotiations with other potential partners.

(H) The DBS Directors see secondary market domain sales as a significant source of potential shareholder value creation over the coming financial periods. The extent of that value creation will depend on how industry stock turns and markups for different domain name categories evolve in future periods. At this stage, the DBS Directors cannot make any comment as to the extent of this potential.

(I) In addition to the value of DBS' domain name portfolio, there is substantial inherent value in DBS' domain name monetisation intermediary business and associated intellectual property.

(J) Through the development and exploitation of DBS' proprietary software, administration systems and its expert staff, DBS has become a market leading domain name monetisation intermediary business.

(K) DBS also holds a large amount of commercially useful data that it has accumulated over the years that would be extremely valuable to other participants in the industry.

(iii) *Comparative market information*

(A) DBS has previously released an extensive amount of information to DBS Shareholders and the market in relation to recent merger and acquisition activity (predominantly in the United States) in the direct navigation sector of the online advertising industry in which DBS operates.

(B) The benchmark deal was the acquisition of Name Development Ltd by Marchex, Inc. a NASDAQ listed company, in early 2005 for US$164.2 million. The price paid by Marchex represents an 8.6 times earnings multiple of the $19 million adjusted annual advertising revenue generated by Name Developments domain name portfolio (Source: Press Release - Marchex, Inc. - November 23, 2004).

(C) Pricing domain name portfolios based on the advertising revenue stream generated has become known in the industry as the as "wholesale valuation" for domain names.

(D) As recently reported to the ASX in the announcement tilted "December 2006 Quarterly Update", DBS' domain portfolio is currently generating between US$6 and $7 million of annualised advertising revenue. (These annualised revenue figures are based on the unaudited historical revenues for the six months ended 31 December 2006.)

(E) Taking the 8.6 times revenue multiple used in the Marchex deal as a guide, this equates to a wholesale valuation of DBS' domain portfolio of between US$51.6 million (AU$66.2 million) and US$60.2 million (AU$77.2

million) or a range of AU$0.75 to AU$0.87 (for each fully diluted DBS Share) based on a 78 cent $US/$AU exchange rate.

This notional valuation is indicative only, based on the Marchex deal as a comparative transaction and should not be relied on by DBS Shareholders as an independent valuation of your DBS Shares.

Furthermore, this notional valuation is only indicative of the value of DBS' domain name portfolio as a stand alone asset and attributes no additional value to DBS' intermediary business and associated intellectual property.

(iv) *DBS Directors Conclusions*

(A) The domain name portfolio industry is substantially monetised in the USA. The largest market for domain name portfolios exists within the USA based online advertising industry and USA private equity industry.

(B) Therefore, the people best equipped to understand the potential full value of the DBS domain name portfolio most likely reside in the USA. Certainly within Australia, the DBS Directors are of the view that whilst there are a number of experienced professionals capable of undertaking valuations in terms of that normally accepted for the purposes of independent opinions, the difficulty with assessing DBS is a lack of experience within the Australian business environment of the unique nature and current and potential value of the DBS domain name portfolio.

(C) Mr Richard Moore and Mr Dan Warner, Chief Operations Officer have considerable experience in the emerging domain name industry. They have had executive leadership in the success of DBS (and indeed the industry) for in excess of the last 5 years and in that process have greatly enhanced the worth and potential of the Company gaining experience that would be considered world class. Mr Warner is widely recognised as a leading commentator on the professional domain name industry and has delivered papers at numerous international conventions.

(D) Mr Moore and Mr Warner are of the considered view, and have so advised the DBS Directors, that should the Company desire to sell its domain name portfolio there would be potentially a number of competing suitors interested in participating in a sale process. Based on this information, the DBS Directors are of the view that realisation of an optimum price is unlikely to be achieved without such a process being undertaken. The ultimate test in determining what is the true achievable value of the domain portfolio, would be to undertake a complete competitive sale process. It is not the current intention of the DBS Directors to investigate the sale of the domain name portfolio – the Company's core asset.

(E) For those reasons, and in light of the fact that Photon increased the price under its Offer by nearly 17% and the market values the DBS Shares in excess of the current price offered, the DBS Directors do not consider an independent valuation is warranted, based on the current offer price.

(F) In conclusion, based on the above analysis, the closing price of DBS Shares as at 7 February 2007 of $0.81 (which could be seen as an indicator that the market believes that the Offer undervalues DBS) and the potential value of DBS' business as a whole, the DBS Directors are of the considered opinion that the price of $0.76 per share contained in the Offer is below the theoretical range of fair market values for DBS Shares.

(G) Having said that, the DBS Directors wish to remind DBS shareholders of the vagaries of the market and the risk that the listed price of DBS Shares may fall below the price contained in the Offer in the future. DBS Shareholders should be aware that the market price of DBS Shares on the ASX will be subject to varied and often unpredictable influences in the share market, both from Australia, and overseas.

(c) **DBS has outstanding growth potential**

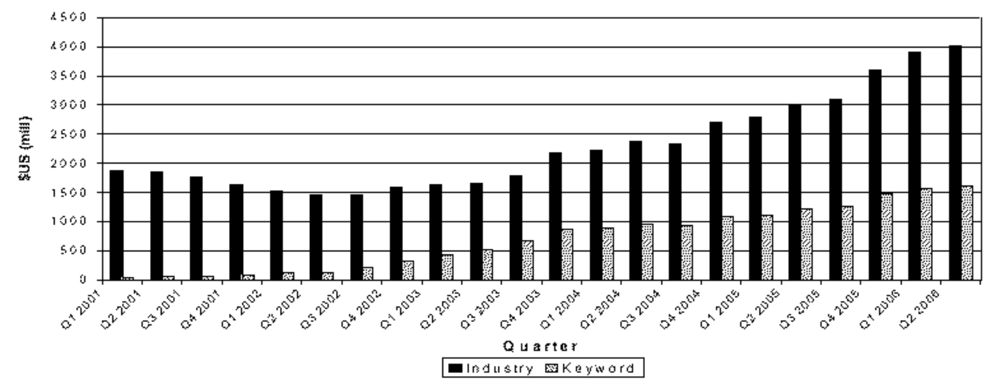
(i) The global online advertising industry in which DBS operates has been growing at approximately 25-30% per annum since mid 2002. The industry generated US$12.5 billion in revenue in 2005, a 30% increase compared to the US$9.6 billion turnover generated in 2004.

(ii) For the six months to 30 June 2006 (the most recently available industry wide statistics), Internet advertising revenues totalled $7.909 billion, up 36.7% compared to the $5.787 million turnover for same period in 2005 (Source: IAB Internet Advertising Revenue Report - September 2006).

(iii) Industry analysts expect these strong rates of growth to continue over the coming years, due to the shift in advertising expenditure away from traditional media and into online advertising, as more people becoming connected to the Internet and existing users spend more of their time online.

(iv) In fact, another recent report predicts a 20% annual growth rate in the overall online advertising* and 25% annual growth rate for the keyword search segment** over the next five years (Source: Morgan Stanley Research Report "Internet and Consumer Software - US Internet Advertising Outlook, 2006-2010E").

(v) It is estimated by the Interactive Advertising Bureau (Source: IAB Internet Advertising Revenue Report - September 2006) that the paid placement search engine industry or "keyword search" related advertising as it is otherwise known (being the segment of the market in which DBS operates), accounts for approximately 40% of the total revenue generated by the online advertising industry. This equates to a turnover of approximately $3.16 billion for the six months to 30 June 2006. Refer to the comparative chart below for further information.



* Assumptions: 1. US advertising to grow in line with expected nominal secular GDP growth over the next five years; 2. US Internet user growth will rise by 2-5% annually over the next three to five years. 3. Internet usage to rise by 10-15% over the next three to five years; 4. Monetisation/conversion of traffic to rise by 20% over the next three to five years.

** Assumptions: 1. Search query volume to grow at a 15% over the next five years; 2. Search coverage to expand from 56% in 2005 to 66% in 2010; 3. Click-through rates expanding from 10.8% in 2005 to 12.6% in 2010; 4.Average price per click (PPC) to growth 2% per year (in line with inflation) from $0.45 in 2005 through to $0.50 in 2010.

(vi) Currently, advertising revenue generated from domain name traffic or "direct navigation" (a subset of the keyword search market) is approximately US$600 million per annum. Industry experts predict that this will reach a turnover of $1.2 billion per annum within three years.

(vii) As one of the largest domain name portfolio owners in the world, in addition to being recognised as the market leader in domain name administration and monetisation services, DBS is uniquely placed to directly leverage off this growth.

(viii) Industry analysts expect the both keyword search market and the traffic monetisation/direct navigation sector (as a subset of the keyword search market) to continue to grow in line with that of the global online advertising industry.

(ix) DBS' historical financial results and the comparative chart (set out below), show that over the last two years, DBS has in fact, been growing at a rate well in excess of the above mentioned industry averages.

	2004 financial year	**2005 financial year**	**2006 financial year**	**DBS average annual growth rate**
Revenue	$11.2 million	$22.3 million	$33.5 million	74.7%
EBITDA *	$1.7 million	$2.7 million	$4.4 million	59.9%
NPAT **	$834,000	$1.8 million	$2.9 million	87.5%

* Earnings before interest, tax, depreciation and amortisation
** Net profit after tax

(x) Furthermore, based on the unaudited financial results for the half year to 31 December 2006, the DBS Directors believes that these historical growth rates are a good indicator of anticipated short to medium term future growth.

(d) **The Offer is highly conditional**

The Offer is subject to the following Conditions which are set out in detail in Section 8.8 of the Bidder's Statement. In summary, the Conditions are:

(i) *50.1% Minimum acceptance condition*

At the end of the Offer Period, Photon having a relevant interest in more than 50.1% (by number) of DBS Shares.

(ii) *No regulatory actions*

There being no decision, order or decree issued, no action or investigation announced, commenced or threatened and no application made to any public authority between the Announcement Date and the end of the Offer Period in connection with the Offer (other than an application to or decision of order of the ASIC or the Takeovers Panel) which restrains prohibits or impedes (or threatens to) or may materially adversely impact on the Offer or which may require a variation of the terms of the Offer.

(iii) *No material adverse change*

No event, matter or thing occurs or is disclosed that will or is reasonably likely to have a material adverse effect on the assets, liabilities, financial position and performance, profitability or prospects of DBS or its subsidiaries between the Announcement Date and the end of the Offer Period.

(iv) *No material acquisitions, disposals or new commitments*

No material acquisitions, disposals or new commitments (including declaration of a dividend or other distribution) are undertaken or intended to be undertaken by DBS or any of its subsidiaries between the Announcement Date and the end of the Offer Period.

(v) *Market change condition*

Before the end of the Offer Period, the S&P ASX 200 Index does not fall below 4,900.00 on any trading day.

(vi) *Change in control*

Between the Announcement Date and the end of the Offer Period, no person exercising, purporting or intending to exercise any rights which could result in any moneys which DBS or its subsidiaries have borrowed becoming repayable, any agreement, instrument or interest being terminated, or the business of DBS or its subsidiaries with any person being adversely affected as a result of the acquisition by Photon of the DBS Shares.

(vii) *Equal access to information*

DBS providing to Photon all information that is not generally available relating to DBS and its subsidiaries or their business operations that has been provided by DBS or its subsidiaries to any person for the purpose of soliciting, encouraging or facilitating certain transactions.

(viii) *No prescribed occurrences*

No prescribed occurrences as set out in Section 8.8(a)(viii) of the Bidder's Statement occur before the end of the Offer Period.

Further details of each of the Conditions are contained in Section 8.8 of the Bidder's Statement.

DBS Shareholders should note that even if you accept the Offer in regard to some or all of your DBS Shares, Photon may at their discretion, either:

- Rescind the contract that results from your acceptance of the Offer ("Contract") upon the non-fulfillment of any of the Conditions; or
- Waive their right to terminate the Contract for non-fulfillment of the Conditions and enforce the Contract as if the Conditions had been fulfilled.

Accordingly, even if you accept the Offer, Photon may at the end of the Offer Period, terminate the Contract for non-fulfillment of one or more of the above Conditions.

Furthermore, if you accept the Offer, then during the Offer Period, you will not be able to sell your DBS Shares to any other party (either on-market or off-market), even though Photon may have the right to subsequently terminate the Contract to purchase your DBS Shares at the end of the Offer Period.

(e) **DBS continues to deliver long term shareholder value**

(i) Over the last 18 months and on the back of strong financial results, DBS' excess cash reserves have been systematically returned to shareholders through a combination of on-market share buy-backs and payment of its maiden dividend in October 2006.

(ii) Future dividend policy and additional share buy-backs will continue to form part of the Group's policy of returning company wealth to shareholders where appropriate.

(iii) During the period that the current board has been in control of DBS, the ASX listed share price has risen from a low of 7 cents per share in mid 2003 to a high of 90 cents in December 2005. The closing price of DBS Shares on 7 February 2007 was 81 cents.

(iv) The DBS Directors are confident that the financial performance and hence the underlying value of DBS shares will improve, as both the advertising and sales revenue from its domain name portfolio continues to increase in the future.

(f) **Experience and continuity of management**

(i) The current composition of DBS' board has remained unchanged since October 2002 when the Company underwent a material change of business and re-listed on the Australian Stock Exchange.

(ii) This stability of the board has been an important factor in the success of the Company and is evidence of a positive and harmonious working relationship between the current members of the board and senior management.

(iii) Since the reconstruction of the board in October 2002, the experience of the DBS Directors and guidance has contributed to the substantial growth and the improved financial performance of the Company, as evidenced in the numerous financial reports released by DBS.

(iv) From the time the online advertising emerged as a viable stand alone industry and during the expansion of the paid placement/keyword search sector in which DBS operates, the DBS Directors have developed a thorough understanding of the dynamics and nuances of the online advertising industry.

(v) DBS is the only Australian company involved in the business of domain name monetisation/direct navigation on any significant scale and hence, the current directors are in a unique position to use the knowledge and experience they have acquired to ensure the decision making functions of DBS' board continues to operate effectively and efficiently.

(vi) The impressive levels of growth that DBS has experienced over the last few years are in part, due to the strategic decisions made by the DBS Directors to invest the company's resources and focus its expertise in an emerging niche area in which the DBS Directors had the vision to recognise DBS' competitive advantage.

(vii) Accordingly, the DBS Directors believe that there is no compelling case for shareholders to affect a change in control of DBS by enabling Photon to acquire more than 50.1% of the DBS' shares, which if occurred, would result in a change in the composition of DBS' board as proposed by Photon in section 3 of the Bidder's Statement.

(g) **Tax consequences**

If you accept the Offer and sell your DBS Shares, you may incur a tax liability and accordingly you should seek you own independent advice from your accountant or tax adviser in this regard.

4.3 Your DBS Directors will not be accepting the Offer

Your DBS Directors, who collectively own or control 16.3% of the Shares in DBS, do not intend to accept the Offer.

4.4 Other information to consider

(a) Minority ownership consequences

The Photon Offer is subject to a minimum acceptance condition set out in Section 8.8(a)(i) of the Bidder's Statement, giving Photon a relevant interest in more than 50.1% (in number) of DBS Shares. If this minimum acceptance level is reached, DBS Shareholders who do not accept the Offer will be minority Shareholders in DBS, which has a number of possible implications, including:

- Photon will be in a position to cast the majority of votes at a general meeting of DBS, which will enable Photon to control the composition of the DBS board of directors and senior management and control the strategic direction of the business of DBS and its subsidiaries;
- depending on Photon's level of control of DBS and DBS continuing to meet the requirements for official quotation on ASX (such as sufficient spread of shareholders), DBS may be removed from the official list of the ASX (as noted in Section 3.2 of the Bidder's Statement), in which case, DBS Shares will not be able to be traded on the ASX; and
- The liquidity of DBS Shares may be lower than at present.

(b) Compulsory acquisition

Photon has indicated in Section 3.3 of the Bidder's Statement that if it acquires a relevant interest in more than 90% of DBS Shares, which entitles it to compulsorily acquire all remaining DBS Shares(as well as any unexercised DBS Options) and achieve 100% ownership of DBS, it intends to exercise that right.

In light of the DBS Directors intention not to accept the Offer, the DBS Directors do not expect that a compulsory acquisition could proceed.

(c) DBS Optionholders

The Photon Offer extends to any DBS Shares that are issued prior to the end of the Offer Period due to the exercise of the DBS Options.

As at the Register Date of 16 January, 2007 there were 3,999,000 DBS Options.

The DBS Options comprise two classes:

(i) 2,335,000 options exercisable at $0.50 each on or before 30 June 2007, however these options cannot be exercised before 4 April 2007; and

(ii) 1,664,000 options exercisable at $0.90 each on or before 30 September 2008, however these options cannot be exercised before 30 June 2008.

The terms of the DBS Options are such that the Directors may elect to enable the DBS Options to be exercised prior to the above dates in certain circumstances. The DBS Directors have not made, and do not intend to make, this election and therefore as at the date of this Target's Statement, none of the DBS Options are capable of exercise.

Accordingly, unless the Offer Period is extended, none of the DBS Options will be able to be exercised during the Offer Period.

The DBS Directors will advise you if there are any material developments in relation to the Offer during the Offer Period.

If you are in any doubt as to the action that you should take in relation to the Offer, you should consult a professional adviser. In particular, the tax consequences of accepting the Offer will depend upon the circumstances of individual DBS Shareholders. You should consult your tax adviser if you need any further information regarding the tax consequences of acquiring, holding or disposing of DBS Shares.

5. INFORMATION ON SHARES AND OPTIONS

5.1 Interests held by or on behalf of the DBS Directors in DBS securities

As at the date of this Target's Statement, the number and description of securities in DBS in which each of the directors of DBS has a relevant interest are as follows:

Name	Position	DBS Shares held by or on behalf of director	DBS Options held by or on behalf of director
Vernon Wills	Non-Executive Chairman	8,881,891	Nil
Richard Moore	Chief Executive Officer	2,979,122	500,000
Joseph Ganim	Non-Executive Director	1,942,744	Nil

5.2 Dealings by DBS Directors in DBS securities

There have been no acquisitions or disposals of securities in DBS by any DBS Director in the four (4) months ending on the date immediately before the date of this Target's Statement.

5.3 Dealings by Associates of DBS in DBS securities

There have been no acquisitions or disposals of securities in DBS by any Associate of DBS in the four (4) months ending on the date immediately before the date of this Target's Statement.

For completeness, while Mr Dean Shannon and entities Dean Shannon owns or controls ("Mr Shannon") are not associates of DBS, Mr Shannon previously held 48.5% of DBS Shares and the DBS Directors therefore consider it prudent to ensure that DBS Shareholders are aware of the recent disposal of DBS Shares by Mr Shannon as follows:

- On 8 December 2006, Mr Shannon disposed of 16,830,000 ordinary shares in DBS (representing 19.8% of all the DBS Shares on issue) on-market to Photon Group Limited for a price of $0.65 per DBS Share;

- On 13 December 2006, Mr Shannon disposed of 9,100,000 ordinary shares in DBS (representing 10.6% of all the DBS Shares on issue) on-market to MMC Asset Management Ltd for a price of $0.67 per DBS Share;
- On 13 December 2006, Mr Shannon disposed of 9,100,000 ordinary shares in DBS (representing 10.6% of all the DBS Shares on issue) on-market to HGL Ltd for a price of $0.67 per DBS Share;
- On 13 December 2006, Mr Shannon disposed of 9,000,000 ordinary shares in DBS (representing 10.6% of all the DBS Shares on issue) on-market to Smallco Investment Manager Limited for a price of $0.67 per DBS Share;
- On 13 December 2006, Mr Shannon disposed of 900,000 ordinary shares in DBS (representing 1.1% of all the DBS Shares on issue) on-market to Western Pacific Asset Management Limited for a price of $0.67 per DBS Share.

5.4 Securities of Photon held by directors of DBS

Neither DBS nor any DBS Director have a relevant interest in securities of Photon.

6. NO PAYMENTS OR BENEFITS

It is not proposed that a prescribed benefit (not being an excluded benefit) will or may be given to a person in connection with the retirement of a person from a prescribed office in relation to DBS, or that a prescribed benefit will or may be given to a prescribed person in relation to DBS in connection with the transfer of the whole or any part of the undertaking or property of DBS.

7. NO AGREEMENT OR ARRANGEMENT WITH ANY DIRECTOR OF DBS

There is no agreement or arrangement made between any DBS Director and any other person in connection with or conditional upon the outcome of the Offers.

8. INTERESTS HELD BY DIRECTORS OF DBS IN ANY CONTRACT ENTERED INTO BY PHOTON

No Director of DBS has an interest in any contract entered into by Photon.

9. OTHER INTERESTS OF DBS DIRECTORS

(a) Employment Contract – Richard Moore, Chief Executive Officer

Mr Richard Moore, the Company's Chief Executive Officer is employed under contract which has previously been disclosed by DBS. The relevant of Mr Moore's current contract which are relevant to the Offer are as follows:

- The contract is for a fixed term, from 1 April 2005 to 30 June 2007.
- Remuneration consists of a fixed salary of $200,000 per annum ("Base Salary") and five hundred thousand (500,000) options over ordinary shares exercisable at $0.50 each on or after 4 April, 2007 and expiring on 30 June, 2007 ("Options").
- Mr Moore is not entitled to any additional payout at the end of the term of employment and any unexercised Options will expire at the end of the term.
- Mr Moore may only resign prior to the end of the term in certain limited circumstances including where DBS is the subject of a completed takeover or merger or there is a change in majority ownership of DBS. If he resigns prior to

the end of the term, Mr Moore is not entitled to any remuneration or compensation (other than any Base Salary accrued to the date of resignation). Any unexercised Options shall be forfeited.

(b) Professional Services provided by related party of Joseph Michael Ganim

Mr Joseph Ganim is a non-executive director of DBS. Mr Ganim is also a senior partner of Hopgood Ganim Lawyers, the legal adviser to DBS in respect of the Offer. DBS has paid or agreed to pay fees to Hopgood Ganim Lawyers for acting as legal adviser in relation to this Offer. None of these fees relate to Mr Ganim's time spent on the Photon Offer. These fees are charged on a normal time cost basis.

10. FINANCIAL POSITION OF DBS

The last published financial results of DBS were for the year ended 30 June 2006.

Within the knowledge of each of the Directors of DBS, the financial position of DBS has not materially changed since 30 June 2006 (the date of the last annual financial reporting to the holders of DBS Shares in accordance with section 315 of the *Corporations Act* was on 28 September 2006), save and except as disclosed in DBS' ASX announcement on 31 January, 2007 entitled "December 2006 Quarterly Update".

11. OTHER INFORMATION MATERIAL TO THE MAKING OF A DECISION BY A HOLDER OF DBS SHARES

This Target's Statement is required to include all the information that DBS Shareholders and their professional advisers would reasonably require to make and informed assessment whether to accept the Offer, but:

(a) only to the extent to which it is reasonable for DBS Shareholders and their professional advisers to expect to find this information in this Target's Statement; and

(b) only if the information is known to any DBS Director.

The DBS Directors are of the opinion that the information that DBS Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, which has not previously been disclosed to the holders of DBS Shares or disclosed to ASX under the regular reporting and disclosure obligations of DBS under the *Corporations Act* and the Listing Rules, is:

(c) the information contained in the Bidder's Statement (to the extent that the information is not inconsistent with or superseded by information in this Target's Statement);

(d) DBS' 2006 Annual Report (for the year ended 30 June 2006); and

(e) This Target's Statement.

The DBS Directors have assumed, for the purposes of preparing this Target Statement, that the information contained in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the DBS Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all of the statements contained in it.

In deciding what information should be included in this Target's Statement, the DBS Directors have had regard to:

(f) the nature of the DBS Shares;

(g) the matters which DBS Shareholders may reasonably be expected to know;

(h) the fact that certain matters may reasonably be expected to be known to the professional advisors of DBS Shareholders; and

(i) the time available to DBS to prepare this Target's Statement.

12. ASX ANNOUNCEMENTS

ASX Announcements made by DBS since the commencement of the current financial year are as follows:

Date	Announcement
05/02/2007	Change in substantial holding from MMA
05/02/2007	Ceasing to be a substantial holder from HNG
31/01/2007	December 2006 Quarterly Update
29/01/2007	Strategic Alliance with Aftermarket Domain Sale Network
25/01/2007	Notice under Item 8 in S 633(1)
24/01/2007	Change in substantial holding from HNG
12/01/2007	Directors' Statement re Takeover by PGA
12/01/2007	Change in substantial holding from PGA
11/01/2007	PGA: Bidder's Statement - Off-market bid for DBS
11/01/2007	PGA ann: Increases offer for DBS to 76 cents per share
19/12/2006	Becoming a substantial holder
15/12/2006	Becoming a substantial holder
14/12/2006	Amended Becoming a substantial holder from HNG
14/12/2006	Ceasing to be a substantial holder x 4
11/12/2006	Response to take over offer by PGA
11/12/2006	Change in substantial holding
11/12/2006	DBS: Attachment to Notice of initial substantial holder
11/12/2006	Becoming a substantial holder from PGA
11/12/2006	Annexure A to Bid Announcement from PGA
11/12/2006	65 cents per share takeover bid for DBS from PGA
08/12/2006	Trading Halt
07/12/2006	Appendix 3F - Final share buy back notice
22/11/2006	Results of Meeting
22/11/2006	Chairman's Address to AGM
30/10/2006	First Quarter Activities Report
13/10/2006	Proxy Form
13/10/2006	Notice of Annual General Meeting
09/10/2006	Investor Presentation
04/10/2006	Proxy Form
04/10/2006	Notice of Annual General Meeting
28/09/2006	Annual Report
13/09/2006	Commentary on Preliminary Final Report & Maiden Dividend
13/09/2006	Preliminary Final Report
06/09/2006	Form 484 - Notice of Share Cancellation
17/08/2006	Daily Share Buy-Back Notice

15/08/2006	Daily Share Buy-Back Notice
15/08/2006	Daily Share Buy-Back Notice
10/08/2006	Daily Share Buy-Back Notice
09/08/2006	Daily Share Buy-Back Notice
03/08/2006	Form 484 - Notice of Share Cancellation
02/08/2006	Update on Company Performance for June Quarter
24/07/2006	Daily Share Buy-Back Notice
07/07/2006	Appendix 3B - New Employee Option Issue
06/07/2006	Notice of share cancellation - Form 484

All ASX announcements, including those made by DBS and Photon may be reviewed at www.asx.com.au.

13. CONSENTS

This Target's Statement contains statements made by, or statements said to be based on statements made by the DBS Directors. Each DBS Director has consented to the inclusion of each statement he or she has made in the form and context in which each statement appears and has not withdrawn that consent at the date of this Target's Statement.

As permitted by ASIC Class Order 01/1543, the Target's Statement contains statements which are made, or based on statements, made, in documents lodged by Photon with ASIC or ASX. Pursuant to the Class Order, the consent of Photon is not required for the inclusion of such statements in the Target's Statement.

Hopgood Ganim Lawyers has given and has not, before the lodgement of this Target's Statement with ASIC, withdrawn its written consent to be named in this Target's Statement as legal adviser to DBS in respect of the Offer in the form and context in which it is named. Hopgood Ganim Lawyers does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based other than, in the case of a person referred to above as having given their consent to the inclusion of a statement, a statement included in this Target's Statement with the consent of that person. To the maximum extent permitted by law, Hopgood Ganim Lawyers expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name and, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement which has been included in this Target's Statement with the consent of that party.

Any Shareholder who would like to receive a copy of any of those documents may obtain a copy free of charge during the Offer Period by contacting the shareholder information line on (07) 3007 0085 (for callers within Australia) or +61 7 3007 0085 (for callers outside Australia) which is available Monday to Friday between 8.30am to 5.00pm (Brisbane time). In accordance with legal requirements, calls to these numbers will be recorded.

DATED the 8th day of February 2007.

SIGNED for and on behalf of **DARK BLUE SEA LIMITED** by Vernon Alan Wills who is authorised so to sign pursuant to a resolution passed at a meeting of the Directors held on 8 February 2007.

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Director