DARK BLUE SEA LIMITED
ACN 091 509 796

Company Announcement

Date: 16 February, 2007

The Company's Office
Australian Stock Exchange

Dear Sir/Madam,

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

In accordance with Section 647(3) of the *Corporations Act 2001 (Cwlth)*, we **enclose** a copy of our Supplementary Target's Statement, which supplements the Target's Statement dated 8 February 2007 in relation to the off-market takeover bid by Photon Group Limited to acquire all the ordinary shares in Dark Blue Sea Limited.

The Supplementary Target's Statement was lodged with the Australian Securities & Investments Commission today and has today been sent to Photon Group Limited.

Yours faithfully,

Richard Moore
Chief Executive Officer
Dark Blue Sea Ltd

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SUPPLEMENTARY TARGET'S STATEMENT BY

DARK BLUE SEA LIMITED ACN 091 509 795 ("DBS")

IN RESPECT OF THE OFFER BY PHOTON GROUP LIMITED ACN 091 524 515 ("PHOTON") FOR ALL ORDINARY SHARES IN DBS

This statement ("**Supplementary Target's Statement**") supplements, and must be read together with, the Target's Statement of DBS dated 8 February 2007 and lodged with the Australian Securities and Investments Commission ("**ASIC**") on 8 February 2007 in connection with Photon's takeover bid for all the ordinary shares in DBS ("**Target Statement**").

The definitions and interpretation provisions of the Target's Statement apply to this Supplementary Target's Statement.

ASIC takes no responsibility for the content of this Supplementary Target's Statement.

Supplementary Material in relation to the Conditions of the Photon Offer

Save as set out in Section 9(a) of the Target's Statement, the DBS Directors are not aware of any contracts which they would consider material which would entitle a person to exercise any rights of the nature set out in section 8.8(a)(vi) of the Bidder's Statement as a result of acquisition of DBS Share by Photon.

Supplementary Material in Relation to Recommendations of the Directors of DBS

DBS provides the following supplementary material in relation to the recommendations made by the Directors of DBS in the Target's Statement and in particular in respect of Section 4.2(b)(iii)(B) of the Target's Statement.

Section 4.2(b)(iii)(B) of the Target's Statement reads as follows:

> *"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)."*

For the purposes of clarification of the above statement, the DBS Directors note the following:

(a) the reference to "8.6 times earning multiple" should read "8.6 times **revenue** multiple";

(b) this revenue multiple has been calculated by the DBS Directors in reliance upon information published by Marchex Inc, namely by dividing the reported acquisition price of US$164.2 million by the reported guidance revenue figure of US$19 million;

(c) the revenue figure of US$19 million used in this calculation was published by Marchex Inc as a guidance figure for 2004 revenue and has been referred to in the Target's Statement as "adjusted annual advertising revenue"; and

(d) the Marchex Inc transaction is the only transaction within the industry in which DBS operates of which the DBS Directors are aware that has been publicly reported and the DBS Directors believe that this is a comparable transaction on the basis that the acquisition related to a large scale domain name portfolio which was acquired by a publicly listed company in a global market.

This Supplementary Target's Statement was approved by a resolution of directors of DBS on the 16th day of February 2007.

Dated the 16th day of February 2007.

Signed for and on behalf of Dark Blue Sea Limited by Richard Moore, being a director who was authorised to sign this statement by a resolution of the directors.

Richard Moore
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Director