Transaction Solutions International

Limited

31 March 2011

The Manager

Company Announcements Office

ASX Limited

Dear Sir

Placement to Institutions and Sophisticated Investors and SPP to Accelerate the Expansion of Indian Bank ATM Installations

Placement

The Board of Transactions Solutions International Limited ("**TSI**" or "**the Company**") is pleased to announce a successful share placement of $7.5 million (before transaction costs) to institutional and sophisticated investors ("**Placement**").

Petra Capital was the Exclusive Manager to the Placement of 250 million fully paid ordinary shares in the Company at 3 cents per share.

The Placement was made to Australian institutional and sophisticated investors, as well as to London based institutional investors.

The Company will issue 190 million shares immediately with the balance of 60 million shares to be issued subject to shareholder approval following an Extraordinary General Meeting of shareholders to be held on or about 12 May 2011.

The funds will largely be used to support existing contracts such as the recently secured seven year ATM agreement with HDFC Bank, whereby the bank has agreed to provide TSI a minimum guarantee of 7,000 transactions per month per ATM, with no upside cap.

Funds will also assist in expediting agreements and other expected growth opportunities, and to a lesser extent general working capital.

Share Purchase Plan

TSI will also offer existing shareholders the opportunity to invest in the Company at a price of 3 cents per share through a Share Purchase Plan ("**SPP**") to raise up to $1.5 million. This is the same issue price as the Placement and represents a discount of approximately 14% to the Company's closing price of $0.035 cents on 28 March 2011 (the last trading date before the Company went into trading halt to conduct the Placement).

Offers under the SPP will be made shortly and will enable eligible Australian and New Zealand shareholders in the Company, irrespective of the size of their shareholding, to purchase up to $15,000 worth of fully paid ordinary shares in TSI, at an attractive price, free of brokerage and commission.

The SPP will be open to all eligible shareholders who are registered holders as at 5.00pm Perth time on 30 March 2011. Other details of the SPP will be advised shortly along with the SPP documents to be sent to shareholders.

About TSI

Founded in 2005, TSI's business is a rapidly growing bank ATM deployment and e-transaction financial services business based in India. Operational in India since 2006 the Company now has around 500 ATMs fully installed. It has further contracts for up to 230 additional ATMs to be installed.

The Company's business model is to build recurring revenue through the deployment of ATMs as well as service the financial payments sector through automation of bill payment processes, in a market that is migrating from paper based to electronic transactions.

TSI owns, manages and operates its financial hardware and systems, in return for a fee per transaction. This recurring revenue model assists TSI in producing a business model that is highly scalable.

TSI has agreements with a large number of national companies including major banks, utilities and corporates. It is these corporations (not consumers) who form TSI's customer base, and from whom TSI receives its revenues.

Supported by the strong infrastructure and business platform built over the last 5 years, and a leading market reputation the business is now scalable by the installation of new ATM's and building on the recently introduced bill payments capability. Barriers to entry in the sector are high with regulatory and banking approvals required. TSI has successfully overcome those barriers, as reflected in its growth profile and the increasing demand for its ATM outsourced business.