



16 December 2004

ELS021.2005

The Manager
Company Announcements Office
Australian Stock Exchange Limited
20 Bond Street
SYDNEY NSW 2000

Via Electronic Lodgement

Data-inCrypt® STRATEGIC ALLIANCES & RESELLERS

Synergy Equities Group Limited ("SYNERGY" or "the Company") is pleased to provide, on behalf of its wholly owned subsidiary, Data-inCrypt® Pty Ltd ("Data-inCrypt®"), the following update on discussions / negotiations with prospective Strategic Alliances (Distributors) and Resellers (Certified Data-inCrypt® Team Members).

Strategic Alliances

Data-inCrypt®'s discussions with a number of potential national and international distributors are ongoing. At this point the Company can report that Data-inCrypt® is at an advanced stage of its negotiations with one of Australia's leading "business and accounts management" software distributors for licensing rights to sell a re-branded / re-badged version of Data-inCrypt® nationally.

Resellers

Discussions with potential resellers of Data-inCrypt® nation-wide are likewise ongoing. The Company can further report that the appointment of resellers has commenced (as foreshadowed in the 1st Quarter Activities Report for the period ending 30 September 2004 and announced to ASX on 29 October 2004). The following organisations have been appointed as resellers and are now "Certified Data-inCrypt® Team Members" and will commence the sale of Data-inCrypt® through their respective networks in January 2005. Contact details in relation to these resellers can be found on the Reseller page at www.data-incrypt.com.

Western Australia

Health Informatics

Health Informatics provides IT solutions to health practitioners throughout Western Australia.

Information Security Group

Information Security Group is the preferred provider of IT systems administration and support services for REIWA (Real Estate Institute of Western Australia).

Tasmania

Intuit Technologies

Intuit Technologies offer a broad range of IT products and services to small-to-medium-enterprises throughout Tasmania.

The Company looks forward to keeping the market informed as strategic alliances are formed and further resellers are appointed.

Yours faithfully

Ronald Moir
Managing Director
SYNERGY EQUITIES GROUP LIMITED