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Company Announcements Office
Australian Stock Exchange Limited
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Heads of Agreement to acquire all shares in Virtualplus Limited ("VPL")

The Board of mBox.com Limited ("MBX") is pleased to confirm that MBX has executed a conditional Heads of Agreement ("HOA") with Virtualplus Inc. ("V+") to acquire 100% of the shares in VPL.

VPL is a unified and mobile messaging solutions provider. It provides SMS and MMS services to second tier Telco operators and corporate customers and is also a supplier of Unified Messaging Systems under its 'messagepoint' brand. VPL currently services customers in the UK, Europe, the US, Canada and Asia.

The award winning Virtualplus technology platform is patented in both the Unites States and the United Kingdom. It allows the rapid deployment of Virtualplus Messaging Solutions on an inexpensive and scalable basis, across its global network of Nodes.

In 2002, VPL diversified its operations to include, on a bulk scale, SMS and MMS solutions to and from GSM and Wireless Mobile handsets using both its own technology platform, and its interconnect agreements connecting it with over 550 wireless operators around the world, including Europe, USA, Asia, and Australia.

VPL has developed a strong brand with a significant customer base in Asia and Europe, and the VPL transaction with MBX is supportive of its desire to expand its operations in Australia and Asia as a whole.

VPL has recently strengthened its board, and announced its plans to list on the London Alternative Investment Market. The MBX transaction supports these objectives and provides a stronger base from which to build a substantial Unified & Mobile Messaging business here in Australia and around the globe.

The proposed transaction is subject to conditions including shareholder approval, due diligence and regulatory approval.

Should all the conditions be met, and following circulation of an Information Memorandum, shareholders will be asked to vote on the acquisition at the MBX Annual General Meeting to be held on 30 November 2004.

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TRANSACTION HIGHLIGHTS

Australian Stock Exchange Limited ("ASX") has advised MBX that the VPL transaction will be subject to Chapter 11 of the ASX Listing Rules (change in nature and scale of activities) and MBX will need to re-comply with Chapters 1 and 2 of the ASX Listing Rules in order to complete the acquisition.

Key transaction highlights are:

- The Company will change its name to Virtualplus Holdings Limited ("VPH").
- MBX will acquire 100% of VPL for a total amount of A$7.00 million to be satisfied by the issue of 99,742,136 pre consolidated ordinary shares in MBX, 15,000,000 MBX Class A Performance Shares and 66,607,202 Class B Performance Shares at a deemed consideration of $0.03859 per ordinary share. The Performance Shares will convert to ordinary shares on the achievement of certain Performance Targets detailed below.
- The Performance Targets are:
    1. 15,000,000 MBX Class A Performance Shares, to be converted into ordinary shares on a 1 for 1 basis, if VPH achieves a listing on London's Alternative Investment Market ("AIM") on or before **March 31 2005**.
    2. 66,607,202 MBX Class B Performance Shares, to be converted to ordinary shares on a 1 for 1 basis, if VPH achieves an audited EBITDA of A$3.15m for the **12 month period from the date that VPH is relisted on the ASX**.
    3. If VPH **DOES NOT** achieve the AIM listing by March 31 2005 but **DOES** achieve the audited EBITDA target of A$3.15m for the 12 month period from the date that VPH relists on the ASX, the 15,000,000 Class A Performance Shares associated with the AIM listing will still be converted to ordinary shares on a 1 for 1 basis.
    4. If the Performance Targets are not achieved in the nominated period (as outlined in points 1 and 2), the Class A and Class B Performance Shares will be converted into only 1 ordinary share for each class. A total of 2 Shares will be issued if the Performance Targets are not achieved in the nominated period. If the Performance Targets are achieved as outlined in points 1 and 2, 81,607,202 Shares will be issued.
- The Board of MBX will change and both Don Christie and John Pitcher will join the MBX Board once the transaction has been approved at the AGM. Paul Price, Robert Franco and Tony Ammendola will resign at the MBX AGM. Geoff Gander will remain on the MBX Board post the transaction being approved.
- VPH will issue a prospectus to complete a Capital Raising of a minimum of A$1,000,000 via the issue of 5,000,000 shares in VPH at an issue price of A$0.20 (following a share consolidation).
- The Company will be required to comply with Chapters 1 and 2 of the ASX Listing Rules if the proposed resolutions are approved by shareholders at the forthcoming Annual General Meeting to be held on 30 November 2004.
- Following shareholder approval at the Annual General Meeting, trading of the MBX shares will be suspended until the requirements of Chapters 1 and 2 of the ASX Listing Rules have been satisfied. The shares will then recommence trading as VPH shares.
- MBX has incorporated an unlisted public company called Novacoat Holdings Limited **("NHL")** for the purpose of an in specie distribution of ordinary shares to

existing MBX shareholders in NHL (on an equal basis). The only present asset of NHL will be approximately A$1.4m in cash. Shareholder approval is being sought for the acquisition of the Novacoat Business and Assets by NHL with the key aim of achieving a new listing on the ASX (compliance with Chapters 1 and 2 of the ASX Listing Rules) for NHL during the 1st quarter of 2005.

- Details surrounding plans for NHL are contained in a separate announcement made to the ASX today. Some background to the creation of NHL is included at the end of this announcement.

TRANSACTION RATIONALE

- MBX was floated on the ASX in March 2000, with the original business model focused on the sale of web based advertising space. Subsequently, the business model evolved to become a subscriber fee based ASP carrier grade unified messaging service provider.
- MBX has been operating at a loss for the past 4 years.
- The MBX Directors have been concerned about the continued viability of the business model of MBX despite cost cutting and a recent increase in the cost of subscriptions. As a result Directors have been looking at opportunities to acquire similar businesses that when combined with the MBX business offered a broader subscriber base, broader geographic spread and the opportunity for the Company to become a global player in the Unified Messaging and SMS market space. The directors of the Company believe that the acquisition of VPL will provide this opportunity.

Specifically:

- VPL provides MBX shareholders with the opportunity to participate in a well established profitable business that has points of presence already established in the United Kingdom, Europe, the United States and Asia. The Board considers that the downturn experienced in the technology sector as a result of the past period has now past and that there are numerous opportunities for the combined entity in what is expected to be another major growth phase for the sector, specifically in the areas that both MBX and VPL currently operate.

ANTICIPATED TIMETABLE

The anticipated timetable for completion of the acquisition and the balance of the matters referred to above is set out below:

ASX announcement of Virtualplus Transaction	13 October 2004
Completion of Independent Expert's Report and Due Diligence	20 October 2004
Sign Share Sale Agreement with V+ subject to Shareholder Approval at the MBX AGM	21 October 2004
Dispatch of Notice of Meeting seeking approval for Virtualplus transaction	30 October 2004
Suspension of MBX's securities from trading on ASX at the opening of trading	30 November 2004
Annual General Meeting to approve the Virtualplus transaction	30 November 2004
Issue of a Prospectus for the raising of a minimum of A$1,000,000 in VPH	2 December 2004
Opening of the Prospectus	9 December 2004
Closure of the Prospectus	17 January 2005

Relisting of VPH on the ASX (subject to compliance with Chapters 1 and 2 of the ASX Listing Rules)	15 February 2005

PROPOSED APPOINTMENTS TO THE BOARD OF MBOX.COM LIMITED

The Board of MBX is pleased to nominate Mr Don Christie and Mr John Pitcher and approval for these appointments will be sought at the Annual General Meeting that is to be convened to approve the acquisition of VPL. It is proposed that upon conclusion of the meeting, Mr Rob Franco, Mr Tony Ammendola and Mr Paul Price will tend their resignation.

Mr Don Christie – Mr Christie will serve as Non-Executive Chairman of the new Board. Mr Christie is an experienced corporate executive. He was Managing Director of Equity Trustees Limited until 2003 and before that was the Corporate Trusts Manager and Compliance Manager. Mr Christie was also a Principal Legal Officer with the Australian Securities Commission, a Senior Investigator with the Royal Commission into the Tricontinental Group of Companies and a Legal Officer with the National Companies and Securities Commission.

Mr John Pitcher – Mr Pitcher is a major shareholder of V+. Mr Pitcher will serve as Executive Director and Chief Operating Officer of the combined entity. Mr Pitcher is currently the Chairperson of VPL and in 1996 Mr Pitcher co-designed the component systems which today make up the Virtualplus system. In 1995, Mr Pitcher pioneered the launch (with Virtual + Office Net) of the first Internet-based unified messaging system. Mr Pitcher was also the author of "Unified Messaging System" USA Patent Number 6.721,398 B1, and "Node Based Unified Messaging System" UK Patent Number GB2338862. Prior to founding Virtualplus, in 1996 Mr. Pitcher helped found a UK based ISP, SAQ Internet. During his 12 months at SAQ, SAQ grew to become the UK's tenth largest ISP.

MATERIAL TERMS OF HEADS OF AGREEMENT

MBX has signed a Heads of Agreement (HOA), which will govern the acquisition of VPL and related transactions. The material terms of the HOA are:

The purchase consideration will comprise up to 181,349,338 MBX shares for a total maximum consideration of A$7.00 million (upfront consideration of 99,742,136 ordinary shares and deferred consideration of 81,607,202 ordinary shares). Deferred consideration is subject to achievement of Performance Targets. The MBX shares issued to the shareholders of V+ will be held in escrow for either a mutually agreed time frame after settlement, or one determined by the ASX, but not exceeding 24 months.

Of the 181,349,338 shares to be issued, 99,742,136 will be ordinary shares, 15,000,000 will be Class A Performance Shares and 66,607,202 will be Class B Performance Shares. The material terms of those shares are set out above.

The offer is subject to the following material conditions:

1. Each obligation of VPL to issue securities to any party (principally being executives and consultants) being novated and assumed by MBX in place of VPL subject to the due diligence investigations of MBX.

2. MBX completing due diligence investigations into VPL and the results of those investigations being satisfactory to the board of MBX in its sole and unfettered discretion.

3. V+ completing due diligence investigations into MBX and the results of those investigations being satisfactory to the board of V+ in its sole and unfettered discretion.

4. Receipt of an Independent Expert's Report concluding that the acquisition of VPL is fair and reasonable to the non-associated shareholders of MBX.

5. MBX obtaining all necessary regulatory and shareholder approvals required to complete the transaction, including, without limitation, shareholder approval:

   a. for a change in the nature and scale of MBX's activities in accordance with ASX Listing Rule 11.1.2;

   b. to issue the Shares, Class A Performance Shares and Class B Performance Shares to V+ at Completion;

   c. to change the name of mBox to "Virtualplus Holdings Limited"; and

   d. to appoint or re-elect (as the case may be) John Pitcher and Don Christie to the board of directors of MBX.

6. VPL discharging all non-trading debt between VPL and any other entity prior to the Completion Date.

7. The execution of escrow agreements to the satisfaction of the ASX by all parties who receive Shares.

8. MBX and V+ being reasonably satisfied that, following Completion occurring, MBX will meet the requirements of Chapters 1 and 2 of the ASX Listing Rules;

9. Acquisition is subject to compliance with Chapters 1 and 2 of the ASX Listing Rules; and

10. MBX delivering to V+ written verifiable evidence that as at the AGM Date MBX will a minimum cash position of at least $1,300,000 and V+ being satisfied with the accuracy of that evidence (acting reasonably).

PROFORMA STATEMENT OF FINANCIAL POSITION

A Proforma Statement of Financial Position of MBX following the completion of the acquisition provided in Annexure 2.

PROFORMA CAPITAL STRUCTURE

A Proforma Capital Structure of MBX is provided in Annexure 3.

SUMMARY INFORMATION ON VPL

A Summary of VPL is provided in Annexure 4.

NHL CAPITAL STRUCTURE

NHL will be a public unlisted company with a share structure that initially mirrors the existing MBX shareholder base (ie there will be 64,767,621 shares on issue prior to any consolidation). The company will have only one asset – a cash balance of approximately A$1.4m.

The current Board of MBX Directors will become Directors of NHL and will be charged with finding the appropriate acquisition to enable NHL to complete the necessary requirements for a new listing on the ASX (comply with Chapters 1 and 2 of the ASX Listing Rules). It is envisaged that NHL will be listed on the ASX during the 1st quarter of 2005.

A detailed announcement regarding a proposed acquisition by NHL is contained in a separate announcement made to the ASX today.

Further detailed information will be provided to shareholders for the purpose of the Annual General Meeting of MBX shareholders to be held to approve any sale transaction.

If Shareholders have any queries please call MBX Executive Director Geoff Gander or MBX Company Secretary, Mr Andrew Meloncelli. Mr Gander can be reached on 0417 914 137 and Mr Meloncelli can be reached on (08) 9214 2540.

Yours faithfully,

Andrew Meloncelli
Company Secretary

ANNEXURE 1

VPL AUDITED TRADING STATEMENT
6 month period ending 30 June 2004

Line Item #	6 month period ending June 30 2004 ($Am)
Revenue	**3.17**
Cost of Sales	1.42
Gross Profit	1.75
Operating Expenses **	1.09
EBITDA	**0.66**

VPL AUDITED NET PROFIT PRIOR YEARS
(figures are based on Y/E 31 December)

Year Ending 31 December	REVENUE ($Am)	PROFIT ($Am)
2003	2.91	0.43
2002	0.99	0.19
2001	0.89	0.05
2000	1.93	0.54

** - Included a one off expense of A$215,000 for bad debts from previous years
# - Accounts from VPL are based in Pounds Sterling. A conversion rate of GBP 0.395 = A$1 has been applied.

ANNEXURE 2

PRO-FORMA STATEMENT OF FINANCIAL POSITION

		Pre Acquisition Audited 30 June 2004 Proforma Consolidated $	Post Acquisition MBX/VPL Proforma Consolidated $
Current Assets			
	Cash Assets	2,799,048	2,390,567
	Receivables	55,838	947,475
	Stock	0	21,291
Total Current Assets		2,854,886	3,359,333
Non-Current Assets			
	Property, Plant and Equipment	172,434	361,124
	Goodwill	0	3,149,135
Total Non-Current Assets		172,434	3,510,259
Total Assets		3,027,320	6,869,592
Current Liabilities			
	Payables	164,654	556,926
Total Current Liabilities		164,654	556,926
Non Current Liabilities			
Total Non-Current Liabilities		0	0
Total Liabilities		164,654	556,926
Net Assets		**2,862,666**	**6,312,666**
Equity Shareholders Equity			
	Contributed Equity	9,511,926	12,961,926
	Accumulated Losses	(6,649,260)	(6,649,260)
Total Equity		**2,862,666**	**6,312,666**

Notes:

+ Please note that the consolidated cash position post the VPL transaction reflects the fact that MBX would have raised an additional A$1m via a prospectus and distributed A$1.4m to the newly created NHL.
++ The post consolidated pro forma statement of financial position shows only the upfront consideration of 99,742,136 ordinary shares at a deemed consideration of $0.03859 per share.

ANNEXURE 3

PRO-FORMA CAPITAL STRUCTURE

Shares	Number
Current	64,767,621
Acquisition of VPL	99,742,136
Total pre consolidation	**164,509,757**
Options	
Current $0.10 exercise price at 31 December 2005 (unlisted) #	280,000
Current $0.25 exercise 31 March 2005 (unlisted) #	5,370,190
TOTAL	**5,650,190**

Notes:

1. The total number of shares set out above does not take into account the 15,000,000 Class A Performance Shares and 66,607,202 Class B Performance Shares that will also be issued to V+.
2. These performance shares are subject to the achievement of certain milestones and will convert into ordinary shares in the event these milestones are achieved.
3. It is proposed that MBX will be required to complete a consolidation of its issued share capital. The terms of the consolidation have not yet been determined.
4. Following completion of the consolidation referred to in point 2 above, MBX will proceed with a capital raising of $1,000,000 through the issue of up to 5,000,000 at a price of $0.20 each (post consolidation).

Option holders will be asked to convert their options to shares on or before the Record Date nominated prior to the creation of NHL. Option holders that choose not to convert will not be entitled to shares in NHL but will retain their options in the new VPH structure under the same terms and conditions on a post consolidation basis as their current MBX options.

ANNEXURE 4

SUMMARY INFORMATION ON VPL

Virtualplus Limited ("VPL") is a private UK company that was incorporated in London 1995, and it has traded profitably throughout the last four years.

VPL is a leading provider of Unified & Mobile messaging and Telecoms solutions serving the vibrant mobile services sector, as well as corporate, ISP's and Telcos. The VPL Research & Development Support Centre in Mumbai, India, delivers innovative products and systems in the mobile data services space specifically SMS, MMS and Unified Messaging.

VPL has also been awarded Patents for global unified messaging system in the UK and USA. VPL are winners of the British Computer Society Award for the best telecoms & internet products and were awarded the accolade for the most innovative products by the Telecoms User Association (TUA).

In August 2004 VPL acquired Telecom Asia Limited, an Asian focused international telecommunications operator with customers and vendors in Asia and Europe to support its Eurasian growth strategy.

VPL is now embarking on an aggressive 'Eurasian' growth strategy and its proposed transaction with Australia's mBox.com Ltd is supportive of this approach. VPL group has strengthened its management team in recent months with the appointment of former Hong Kong Telecom Executive Mark Stewart as Group Chief Executive, and Mr Michael O'Hanlon, the former CEO of Paine Webber International (UK) Ltd as a Non-Executive Director, with long standing VPL director Mr John Pitcher having assumed the role of COO.

More information on VPL is available at: www.virtualplus.com

ANNEXURE 5

MBOX.COM LIMITED'S BACKGROUND

Introduction
MBX was listed on the ASX in March 2000 towards the end of a major downturn in the technology sector. As part of this process, an Initial Public Offering raised $8 million from investors, many of whom continue to be shareholders of the Company.

The business model of MBX has been refined over the last 12 to 18 months to reflect the prevailing market conditions. The Company has been successfully focusing on reducing its operating costs.

There have been a number of changes to the Board of Directors over the last 12 months. Significantly, the appointment of experienced Information Technology executive Geoff Gander as Executive Director of MBX. Geoff has conducted a thorough review of the organisation with a focus on reducing costs and increasing revenue. Whilst the Company is now breaking even, the Board recognised the need to develop a broader business model and consequently has been seeking suitable acquisitions.

Results
The loss for the last financial year (2003/04) after income tax was $590,909. This result was disappointing. This has resulted in a refocus on the MBX business model and subsequently a commitment to boost shareholder value by the proposed acquisition of VPL. As at 30 September 2004 cash at bank was $2.8m which was in excess of that required by the combined MBX/VPL entity.

As a result, the MBX Board decided to create Novacoat Holdings Limited (NHL). NHL's only asset being A$1.4m in cash. The NHL Board believes that the acquisition of Novacoat, the in specie distribution of its existing shares on issue, and the subsequent proposed listing of NHL on the ASX will give MBX shareholders excellent exposure to the expanding mining and resources sector and drive shareholder value.