Multi Channel Solutions

Multi Channel Solutions Limited
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21 December 2006

The Manager
Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2001

Dear Sir / Madam

SHARE PLACEMENT

Further to the announcement made to ASX on 11 December 2006 where the Company announced it would seek to raise approximately $1 million in a share placement in order to strengthen its working capital position, the Company is pleased to announce that it has completed the first portion of this Share Placement.

Pursuant to the first part of this Share Placement, the Company will issue 16,000,000 ordinary shares at $0.04 per share to raise a total of approximately $640,000.

In addition, the directors have resolved to issue an additional 2,250,000 shares to the applicants of the October 2006 $0.05 placement completed by the Company, in order to bring the effective placement price of the October 2006 placement in line with this current placement price of $0.04. These shares are to be allocated on a pro rata basis to the applicants.

This Share Placement has been made to professional and sophisticated investors pursuant to section 708 of the Corporations Act.

The Company gives this notice pursuant to Section 708A(5) of the Corporations Act.

The shares were issued without disclosure to investors under Part 6D.2, in reliance on Section 708A(5) of the Corporations Act.

The Company, as at the date of the notice, has complied with:

(a) The provisions of Chapter 2M of the Corporations Act as they apply to the Company; and Section 674 of the Corporations Act.

(b) As at the date of this notice, there is no excluded information for the purposes of Sections 708A(7) and (8) of the Corporations Act.