

Echo Technologies Ltd  
1st Floor, 10 Stirling Highway  
Nedlands WA 6009  
Ph: +61 8 9284 8800  
Fax: +61 8 9284 8899  
www.echotecho.com

echo   
ABN 35 094 006

AUSTRALIAN STOCK EXCHANGE



EHO000044

# Fax

To: ASX	From: Frank Vanspeybroeck
Attn: Announcement Officer	Pages: 25
Fax: 1300 300 021	Date: Thursday 20 February 2003
Re: Prospectus	cc:

The Company advises that today 20 February 2003 the company has lodged with the Australian Securities and Investment Commission, a short form Prospectus for the issue of 16,129,032 shares at a price of 0.031 per share to raise AUD\$500,000. A copy of the Prospectus is enclosed.

Yours faithfully,

**FRANK VANSPEYBROECK**  
Director

**CONFIDENTIAL**

This fax and any attachments are confidential and may be privileged. If you are not a named recipient, please notify the sender immediately and do not disclose the contents to another person, use it for any purpose or store or copy the information in any medium.

**ECHO TECHNOLOGIES LIMITED**  
**ABN 35 094 006 023**

**PROSPECTUS**

**IMPORTANT INFORMATION**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered pursuant to this Prospectus or any other matter, then you should consult your professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

## ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS

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ABN 35 094 006 023

### TABLE OF CONTENTS

Section 1	Important Notes and Statements	.....	3
Section 2	Corporate Directory	.....	4
Section 3	Details of the Offer	.....	5
Section 4	Risk Factors	.....	8
Section 5	Rights Attaching to Shares	.....	12
Section 6	Effect of the Entitlement Issue	.....	14
Section 7	Additional Information	.....	16
Section 8	Directors' Responsibility Statement	.....	21
Section 9	Definitions	.....	22

Entitlement and Acceptance Form

Shortfall Application Form and Instructions to Applicants

## ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS

---

ABN 35 094 006 023

### **Section 1 Important Notes and Statements**

This Prospectus is dated 20 February 2003. A copy of this Prospectus was lodged with ASIC on 20 February 2003.

No securities will be allotted or issued on the basis of the Prospectus later than 13 months after the date of this Prospectus.

This Prospectus will be made generally available on request to members of the public by calling the company during business hours.

The Prospectus contains the Application Form, which applicants must complete in making an application for shares. An Application Form is only available with a Prospectus.

Applicants should read this Prospectus in its entirety before deciding to apply for Shares. If, after reading this Prospectus, applicants have any questions as to how to deal with this Prospectus, they should contact a professional adviser.

The securities the subject of this Prospectus should be considered speculative. Please refer to Section 4 for details relating to risk factors.

Please refer to the Defined Terms for terms and abbreviations used in parts of this Prospectus.

No responsibility as to the contents of the Prospectus is taken by ASIC or ASX.

In compliance with the Corporations Act, this Prospectus contains all information which potential investors and their professional advisers would reasonably require and expect to find in the Prospectus for the purpose of making an informed assessment of:

- a) the effect of the issue on the Company; and
- b) the rights and liabilities attaching to the Shares.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. In making representations in this Prospectus regard has been made to the fact that ASX maintains a file containing publicly disclosed information about the Company and that the Company is a disclosing entity for the purpose of the Corporations Act, and certain matters may reasonably be expected to be known to professional advisers whom potential investors may consult.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

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**ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS**

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ABN 35 094 006 023

**Section 2 Corporate Directory*****Registered Office and Principal Place of Business***

First Floor 10 Stirling Highway  
Nedlands Western Australia 6009  
Tel 08 9284 8800/Fax 08 9284 8899  
[www.echotech.com](http://www.echotech.com)

***Directors***

Frank Vanspoybroeck  
Marinko Vidovich  
Stephen Surleff

***Company Secretary***

Marinko Vidovich

***Share Registry***

Computershare Registry Services Pty Limited  
Level 2 Reserve Bank Building  
45 St George's Terrace  
Perth Western Australia 6000

***Solicitors to Echo Technologies Ltd***

Lawton Gillon  
3rd Floor 19 Pier Street  
Perth Western Australia 6000

***Auditors***

RSM Bird Cameron Partners  
8 St Georges Terrace  
Perth Western Australia 6000

***Bankers***

National Australia Bank  
51 Dowd Street  
Welshpool WA 6106

ASX code: EHO

## ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS

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ABN 35 094 006 023

### **Section 3     Details of the Offer**

#### **3.1     Important Note**

This Section is not intended to provide full information for those intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

#### **3.2     Details of the Offer**

Echo is offering for subscription 16,129,032 shares ("New Shares") at a price of \$0.031 per share, payable in full on application.

#### **3.3     Purpose of the Offer**

The New Shares are being offered for subscription to raise capital for

Application	Amount
Working Capital	460,000
Expense of the offer	40,000
Total	500,000

#### **3.4     Application Details**

Application for the New Shares pursuant to this Prospectus must be made on the Application Form accompanying this Prospectus.

Applicant should read the instructions on the reverse side of the Application Form before applying for the Shares.

Completed Application Form should then be forwarded, together with a cheque for the relevant subscription monies, to the Company. Cheques should be made payable to Echo Technologies Limited and crossed "Not Negotiable".

The Company reserves the right to reject any application.

Successful applicants will be forwarded notification of their allocation as soon as practical after allocation has taken place.

The Directors may at any time decide to withdraw this Prospectus and the offer of shares made under this Prospectus.

#### **3.5     Allotment**

The Shares are expected to be allotted as soon as practical after applications are received.

There is not minimum subscription under this document. No securities will be issued on the basis of this prospectus later than 13 months after the date of this prospectus.

#### **3.6     Minimum Subscription and Oversubscription**

There is no minimum subscription and no oversubscriptions will be accepted.

## ECHO TECHNOLOGIES ENTITLEMENT'S ISSUE PROSPECTUS

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ABN 35 094 006 023

### 3.7 Taxation Implications

The Directors do not consider that it is appropriate to give potential Applicants advice regarding the taxation consequences of applying for Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of potential Applicants. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to potential Applicants in the issue. Potential Applicants should, therefore, consult their own tax adviser in connection with the taxation implications of the issue.

### 3.8 Tax File Number

While it is not obligatory for Applicants to quote their Tax File Number (TFN), tax will be withheld at the rate of 45.8% on any unfranked or partially franked dividends if Australian Resident Shareholders do not quote their TFN. Shareholders may notify Echo Technologies of their TFN by completing the relevant section of the Application Form.

### 3.9 Residents Outside Australia and New Zealand

The offer constituted by this Prospectus is made to residents of Australia and New Zealand only.

No offer of Shares will be made to persons resident in countries outside Australia and New Zealand due to the small number of those persons, the number and value of Shares they would be offered and the cost of complying with the legal and regulatory requirements in those countries. This Prospectus and the accompanying Entitlement and Acceptance Form do not constitute an offer to any person resident in any country other than Australia and New Zealand.

### 3.10 Official Quotation by ASX

Application for Official Quotation by ASX of the Shares offered by this Prospectus will be made within 7 days after the date of this Prospectus. If the Shares offered by this Prospectus are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of the Prospectus, (or such period is as varied by the ASIC), the Company will not issue any Shares and will repay all application monies within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares pursuant to this Issue is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

### 3.11 Risk Factors

Investors should carefully read the risk factors outlined in Section 4. An investment of this kind involves a number of risks, some of which are specific to Echo and the industry in which it operates.

### 3.12 Ranking

Shares issued pursuant to this Prospectus will rank equally in all respects with existing Shares. Full details of the rights attaching to Shares are contained in the Company's constitution, a summary of which is set out in Section 5. The constitution is available for inspection, without charge, during normal business hours at the Company's registered office.

## ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS

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ABN 35 094 006 023

### 3.13 No Underwriting

This Offer is not underwritten

### 3.14 Brokerage and Commission

No Brokerage or stamp duty will be payable by Applicant subscribing for Shares. The Company will pay a lodgement fee of 6% in respect of public Applications for the New Shares lodged by a member organization of ASX and licensed securities dealers and accepted by the Company provided the relevant stamp of the organisation is on the Application Form.

### 3.15 Enquiries

Any questions concerning the Entitlement Issue should be directed to the Company on (08) 9284 8800.

## ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS

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ABN 35 094 006 023

### Section 4 Risk Factors

#### Introduction

The business activities of Echo are subject to various risks that may impact on the future performance of the Company. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. There are a number of risk factors that investors should consider before deciding whether or not to invest in Securities. The principal risk factors include, but are not limited to, the following:

#### 4.1 Stock Market Risk

Investors should recognize that the price of Shares may fall as well as rise. In particular, the trading price of the Shares at any given time may be higher or lower than the price paid to acquire Shares under this offer. Further, there can be no assurance that an active trading market will develop in the Shares.

The market for shares in internet-related companies has typically been more volatile than other share investments. Such shares have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. A significant decline in the stock market performance of internet-related businesses is likely to have a material adverse effect on the price and liquidity of shares.

Many other factors will also affect the price of the Shares, including general fluctuations in the performance of local and international stock markets, movements in interest rates and exchange rates, general economic conditions and investor sentiment.

#### 4.2 Start-up Risk

Echo is a start-up business and as such is dependent upon securing clients to sustain and grow the business. The Directors recognize the importance of establishing new clients and maintaining existing clients.

The Directors have established and continue to develop procedures and policies for marketing and maintaining relationships with clients. However, should Echo be unable to establish or maintain a client base, the absence or loss of revenue arising therefrom will have a material adverse effect on Echo operations.

#### 4.3 Impact of Government Regulations

The travel industry is subject to laws and regulations. The amendment of existing laws or regulations or the adoption of new laws or regulations could require Echo to obtain new government permits or to modify its current methods of operation in order to comply with these changes. There can be no assurance that Echo would be able to obtain any such new permits or that the cost of compliance with any such changes would not have a material adverse effect on Echo's business, financial condition and results of operations.

There can be no assurance that Echo will be successful in obtaining the permits necessary in order to expand, both domestically and internationally the geographic service areas in which it operates, or that any such permit will be obtained when contemplated by Echo's expansion plans or under conditions or with restrictions acceptable to Echo.

## ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS

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ABN 35 094 006 023

### 4.4 Operating History

Echo was established in August 2000 and thus Echo's core business has limited performance history and related financial information. The Company's prospects must be considered in the light of the risks, expenses and difficulties frequently encountered by companies in their early stages of development, particularly companies in new and rapidly evolving industries. In the event that market acceptance is not obtained there can be no assurance that Echo will be profitable.

### 4.5 Management of Rapid Growth

Rapid growth of the Company will require preparedness for the deployment of management systems relating to financial monitoring and controls, human resources, corporate compliance, marketing and technical production and changes in the competitive landscape. The Directors recognize the need to employ highly qualified people to fill expanding roles within the organization and believe that such individuals can be attracted to the Company. Should there be a delay in attracting suitably qualified individuals to participate in the roll out of new management systems, the financial prospects and performance of Echo could be materially affected.

### 4.6 Competition within the Industry

Echo will be operating within the competitive Travel Software Industry. Competition in the industry has resulted in substantial price reductions in virtually all geographical areas. Although Prices have stabilized in certain areas, there can be no assurance that competitive pressures within the software industry will not result in continued or accelerated price reductions.

While Echo believes that its business plan and infrastructure will allow it to effectively compete with new and existing ventures, no assurance can be given that such competition will not arise which could have a material adverse affect on Echo's business activities.

### 4.7 Product Development

Echo's success is largely dependent on the development of new and enhanced products on a timely basis. The Company can provide no assurances that its products will be acceptable to its customers, that the development of new and/or upgraded products will be completed on timely basis or that the new and/or upgraded products will meet the needs of Echo's customers.

### 4.8 Sales and Marketing

The success of the Company's existing and future products is partly dependant upon the implementation of successful marketing programs, particularly with respect to the territory and sale of the ACE software, for which an extensive media campaign will be launched. To the extent that marketing plans are unsuccessful or ineffective, the Company may suffer significant losses

### 4.9 Reliance on Key Employees

The future success of the Company depends to a large extent upon its key personnel. At this time the Company is still to identify and recruit personnel that it believes will be required to assist in the establishment and operation of the Company's business. The success of the Company will depend on the successful recruitment of appropriate personnel.

## ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS

---

ABN 35 094 006 023

### 4.10 Future Capital Requirements

Echo's growth through expansion of its business into other regions and internationally will require substantial expenditures. There can be no guarantees that the funds raised through the Issue will be sufficient to successfully achieve all objectives of Echo's business strategy.

If Echo is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Issue, there can be no assurance that Echo will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to Echo or at all.

Any additional equity financing may be dilutive to Echo's existing shareholders, and any debt financing, if available, may involve restrictive covenants which limit Echo's operations. Echo's failure to raise capital if and when needed could delay or suspend Echo's growth strategy and could have a material adverse effect on Echo's activities.

### 4.11 Dependence on Internet Infrastructure

The internet has experienced, and is expected to continue to experience, significant growth in terms of the number of users and volume of traffic. Echo's business prospects depend on the ability of the internet infrastructure to support significant growth in the use of the Web as a medium for commerce communication, and marketing. There can be no assurance that internet infrastructure will continue to be able to support the demands placed on it by this continued growth or that the performance or reliability of the Internet will not be adversely affected by this continued growth.

### 4.12 Regulation of Internet Related Activities

Regulation of the Internet industry is still in a developmental stage, which has meant that the industry is experiencing some uncertainty. It is possible that further regulatory change in the industry relating to, for example, web site development and e-commerce may impact upon the Company's future performance.

The introduction of the new legislation or the amendment of existing legislation or other change to the laws of any country in which the Company operates or conducts business may have an adverse impact on the Company and ultimately its financial performance and the value of its shares.

Currently minimal regulation applies to Echo's internet-related activities (other than applicable to businesses generally)

### 4.13 Pricing Risks

Echo's products are sold on a case by case basis and customized to meet the needs of individual customers. Many of these sales are won as a result of requests for proposal. There is a risk that another party may sell similar or more advanced products at a discount to Echo's pricing structure. If this was to occur, then Echo may be required to lower its selling price. This in turn is likely to lower Echo's operating margin and its profits. Echo cannot provide any assurance that there will not be a reduction in the prices that it currently receives for its products.

## ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS

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ABN 35 094 006 023

### 4.14 Technology

The inability to respond to technological changes in a timely manner may have an adverse effect on the revenues and earnings of the Company. Furthermore, the requirement to change the Company's products in line with technological advances may have unforeseen, and perhaps significant, additional expenditure requirements.

### 4.15 Future Investment Risks

Echo may in the future invest in other projects and products. This would involve the general risks associated with new business developments. These include financing risk, development risk, project or product failure, lack of product acceptance and inability to meet financial projections. Where possible, such risks will be minimized by negotiating suitable contracts with relevant parties and taking out insurance contracts where appropriate.

### 4.16 Profitability

There can be no assurances given in relation to the future earnings or working capital requirements of Echo Technologies.

### 4.17 Economic Factors

Changes in inflation rates, exchange rates, taxation and other regulations or government policies may negatively impact on the revenue and profitability of Echo.

## ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS

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ABN 35 094 006 023

### **Section 5 Rights and Liabilities Attaching to Shares**

#### **Rights attaching to Shares**

The rights attaching to ownership of the Shares are detailed in the constitution of the Company which may be inspected during normal business hours at the registered office of the Company. The following is a summary of the major provisions.

#### **5.1 Voting**

At a general meeting, every member present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll, one vote for each fully paid Share held. On a poll partly paid Shares confer a fraction of a vote pro-rata to the amount paid on the Share.

#### **5.2 General Meetings**

Each member is entitled to receive notice of and, except in certain circumstances, to attend and vote at general meetings of the Company and receive all financial statements, notices and other documents required to be sent to members under the constitution or the Corporations Law.

#### **5.3 Dividends**

Subject to any special terms and conditions of issue, the profits of the Company which the directors from time to time determine to distribute by way of dividend are divisible amongst the members in proportion to the amounts paid up on the Shares held by them.

#### **5.4 Offer of further Shares**

The Directors may (subject to the restrictions on the allotment of shares imposed by the Constitution, the Listing Rules and the Corporations Law) allot, grant options in respect of, or otherwise dispose of further Shares on the terms and conditions as they see fit.

#### **5.5 Transfer of Shares**

Holders of Shares may transfer them by proper transfer affected in accordance with the business rules of the Security Clearing House and the ASX and are otherwise permitted by the Corporations Law. The Directors may decline to register a transfer of Shares where the transfer is not in registrable form or where the refusal to register the transfer the Company must give the party lodging the transfer written notice of the refusal and the reason for refusal.

#### **5.6 Winding up**

Subject to any special or preferential rights attaching to any class or classes of Shares, members will be entitled in a winding up to share in any surplus assets of the Company in proportion to the Shares held by them, less any amounts which remain unpaid on these Shares at the time of distribution.

#### **5.7 Dividend reinvestment plan**

The constitution contains a provision allowing Directors to implement a dividend reinvestment plan.

## **ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS**

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ABN 35 094 006 023

### **5.8 Alteration of constitution**

The constitution can only be amended by a special resolution passed by at least three quarters of members present and voting at a general meeting of the Company. The Company must give at least 28 days written notice of its intention to propose a resolution as a special resolution.

### **5.9 Share buy backs**

The Company may buy back shares in itself in accordance with the provisions of the Corporation Act 2001.

## ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS

ABN 35 094 006 023

### Section 6 Effect of the Entitlement Issue

#### 6.1 Statement of Financial Position

To illustrate the effect of the Placement, a pro-forma consolidated statement of financial position, set out below, has been prepared based on Echo's unaudited financial report at 31 December 2002. The pro forma consolidated statement of financial position should be read in conjunction with the unaudited financial report for the half-year 31 December 2002.

#### ECHO TECHNOLOGIES LTD AND ITS CONTROLLED ENTITIES CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31 December 2002 \$	Unaudited Proforma as at 31 December 2002 \$
<b>CURRENT ASSETS</b>		
Cash	525,774	985,774
Receivables	762,244	482,244
<b>TOTAL CURRENT ASSETS</b>	<b>1,288,018</b>	<b>1,468,018</b>
<b>NONCURRENT ASSETS</b>		
Plant and Equipment	489,762	489,762
Intangibles	1,557,934	1,557,934
Other Financial Assets	80,107	360,107
<b>TOTAL NONCURRENT ASSETS</b>	<b>2,127,803</b>	<b>2,407,803</b>
<b>TOTAL ASSETS</b>	<b>3,415,821</b>	<b>3,875,821</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	122,366	122,366
Interest Bearing Liabilities	391,177	391,177
Provisions	4,122	4,122
	517,665	517,665
<b>NONCURRENT LIABILITIES</b>		
Interest Bearing Liabilities	118,608	118,608
	118,608	118,608
<b>TOTAL LIABILITIES</b>	<b>636,273</b>	<b>636,273</b>
<b>NET ASSETS</b>	<b>2,779,548</b>	<b>3,239,548</b>
<b>SHAREHOLDERS EQUITY</b>		
Share Capital	9,510,426	10,010,426
Accumulated Losses	(6,730,878)	(6,770,878)
<b>TOTAL SHAREHOLDERS EQUITY</b>	<b>2,779,548</b>	<b>3,239,548</b>

## ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS

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ABN 35 094 006 023

### 6.2 Assumptions for Proforma Consolidated Statement of Financial Position

The proforma consolidated Statement of Financial Position at 31 December 2002 disclosed above, has been included for illustrative purposes only. The proforma consolidated Statement of Financial Position has been prepared by adjusting the historical consolidated Statement of Financial Position at 31 December 2002 to reflect the financial effect of the following transactions as if they had occurred at 31 December 2002:

- The issue of 16,129,032 fully paid ordinary shares of \$0.031 cents, raising \$500,000 pursuant to the Prospectus.
- The estimated costs associated with the share issue pursuant to the Prospectus are \$40,000. These costs have been written off against share capital in the proforma consolidated Statement of Financial Position.

### 6.3 Capital Structure

The following financial and capital structure information has been included in the Prospectus to assist shareholders in assessing the effect of the proposed issue of the Shares on the Company, pursuant to the Entitlement Issue.

#### PRO-FORMA CAPITAL STRUCTURE

##### CONTRIBUTED EQUITY

	Number	\$
Shares allotted at 30 June 2002 before the Issue	108,155,132	9,270,173
Ordinary fully paid \$0.031 shares issued pursuant to this Prospectus	16,129,032	500,000
Less: estimated costs associated with this offer		(40,000)
	124,284,164	9,730,173
Proforma as at 31 December 2002		

## ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS

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ABN 35 094 006 023

### Section 7 Additional Information

#### 7.1 Incorporation

Echo Technologies was incorporated in Western Australia on the 3 August 2000 as a public company.

#### 7.2 Company Tax Returns

The Directors expect Echo Technologies will be taxed in Australia as a public company. The financial year of the Company ends on 30 June, annually.

#### 7.3 Audit Committee

The Audit Committee of Echo Technologies consists of the current Directors of Echo Technologies.

#### 7.4 Legal Proceedings

The Directors are not aware of any litigation of a material nature pending or threatened which may significantly affect Echo Technologies.

#### 7.5 Directors

The minimum number of Directors is 3 and the maximum is to be fixed by the Directors but may not be more than 10 unless the Company passes a resolution varying that number. Questions arising at a meeting of Directors must be decided by a majority vote.

#### 7.6 Directors' indemnity

The Company, to the extent permitted by law, indemnifies each Director, alternate Director or executive officer (and any person who has previously served in that capacity) against any liability or cost incurred by the person as an officer of the Company or a related body corporate of the Company. This includes but is not limited to liability for negligence or cost incurred in defending proceedings in which judgment is given in favour of the person or in which the person is acquitted. The indemnity may be extended to other officers or the auditor at the discretion of the Directors.

#### 7.7 Directors' interests and benefits

Except as disclosed in this Prospectus, no Director of Echo Technologies, or firm in which a Director is a partner, has any interest, nor has had any interest within two years before the lodging of this Prospectus for registration, in the promotion of Echo Technologies or has received or is entitled to receive any sum for services rendered by himself or the firm either to induce him to become or qualify him as a Director, or otherwise in connection with the promotion or formation of Echo Technologies.

##### 7.7.1 Remuneration of Directors

The Constitution of Echo Technologies provides that the non-executive Directors may collectively be paid as remuneration for their services a fixed sum, determined by Echo Technologies in general meeting. The non-executive directors are currently paid directors fees of \$30,000 per annum each.

## ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS

ABN 35 094 006 023

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties. Other than as set out above or else where in this prospectus, no director has or had any interest in:

- (a) the promotion or formation of Echo Technologies,
- (b) property acquired or proposed to be acquired by Echo Technologies in connection with its promotion or formation or the offer of shares under this prospectus, or
- (c) the offer shares under this prospectus, and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any director;
- (d) to induce him to become or to qualify him as a director, or
- (e) for services rendered by him in connection with the formation or promotion of Echo Technologies or the offer of shares under this prospectus.

### 7.7.2 Shareholding Qualifications

The Directors are not required to hold any shares in Echo Technologies under the Constitution of Echo Technologies.

Set out below are details of the interests of the Directors, either directly or indirectly, in the securities of Echo Technologies immediately prior to lodgement of the Prospectus with the ASIC for registration.

Director	Number of Shares		Number of Options	
	Direct	Indirect	Direct	Indirect
Mr F Vanspeybroeck*	1	20,040,732	NIL	155,725
Mr S Surleff	109,517	500,000	NIL	NIL
Mr M Vidovich	10,000	12,000	NIL	60,000

\*Mr F Vanspeybroeck is a director of Wedgetail Exploration which holds 14,057,144 shares in Echo Technologies Limited.

### 7.8 Directors remuneration and other benefits

The constitution provides that the Directors are entitled to such remuneration as the directors determine. The remuneration paid to Directors or their related parties since the company's listing on 5 October 2001 until 31 January 02 is set out below.

Director	Director		Related Entities	
	2001	2002	2001	2002
Mr F Vanspeybroeck*	NIL	NIL	\$85,6600	128,000
Mr M Vidovich**	NIL	22,500	NIL	54,499
Mr S Surloff	NIL	NIL	NIL	NIL

## ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS

---

ABN 35 094 006 023

\* Mr Frank Vanspeybroeck is a director of IMMO Services (WA) Pty Ltd with whom the company has entered into a contract for the supply of management services at a daily rate of \$ 500 and a monthly retainer of \$ 6,000.

\*\* Mr Marinko Vidovich is a chartered accountant and provides services to the company and is remunerated on a hourly basis.

### 7.9 Interests of Experts

Other than set out below or elsewhere in this Prospectus, no expert nor any firm of which any expert is a partner, has or in the last two years had an interest in

- (a) the formation or promotion of Echo; or
- (b) property acquired or proposed to be acquired by Echo in connection with its formation or promotion or the offer of the securities pursuant to this Prospectus; or
- (c) the offer of the securities pursuant to this Prospectus; and
- (d) no amount of any kind has been paid or agreed to be paid to any expert (or to any firm in which he or she is or was a partner) for services rendered by the expert or by the firm in connection with the promotion of Echo. No form of payment of any kind will be made or agreed to be made to any such expert or firm other than in cash.

Lawton Gillon has acted as legal adviser to the Company since incorporation of Echo. At the date of this Prospectus an amount of \$14,500 is payable to Lawton Gillon in respect of these services and Lawton Gillon will receive further payments in accordance with its normal time based charges. Lawton Gillon has not authorized or caused the issue of this Prospectus or the making of the Offer; Lawton Gillon make no representation regarding, and to the extent permitted by law exclude any responsibility for any statements in or omissions from any part of this Prospectus.

### 7.10 Share Trading History

The highest and lowest market price of the Company's quoted Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales and the last sale on the Business Day immediately preceding the date of lodgement of this Prospectus with ASIC were:

	Price	Date
Highest	4.8 cents	26 November 2002
Lowest	2.2 cents	24 December 2002
Latest	2.8 cents	20 February 2003

### 7.11 Consent and disclaimers of responsibilities

Each of the following has consented (and has not withdrawn such consent prior to the lodgement of the Prospectus with the ASIC) to be named in the Prospectus but has not made any statements that are included in this Prospectus or statements identified in this Prospectus as being based on any statements made by those persons;

- (a) Computershare Registry Services Pty Ltd ---Share Registrar;

## ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS

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ABN 35 094 006 023

(b) Lawton Gillon —Solicitors to the Issue;

To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of this Prospectus other than the references to their name.

### 7.12 Costs of the Issue

The expenses connected with the Offer are being borne by Echo. The following approximate expenses (net of GST) have been or will be incurred with respect to the Offer:

Professional fees/ASIC and ASX	\$ 9,000
Printing and postage	\$ 1,000
Lodgement Fees	\$30,000
<b>TOTAL</b>	<b>\$ 40,000</b>

### 7.13 Authorisation

This Prospectus is authorised by the Company and lodged with ASIC pursuant to Section 718 of the Corporation Act 2001. The Directors have consented to lodgement of this Prospectus with the ASIC in accordance with the terms of Section 720 of the Corporations Act 2001.

### 7.14 Documents Available for Inspection

The Prospectus is issued pursuant to section 713 of the Corporations Act as a transaction specific prospectus.

Section 713 of the Corporations Act enables companies to issue transaction specific prospectuses where those companies are and have been for a period of 12 months disclosing entities.

The Company is disclosing entity under the Corporations Act and, as such, is subject to regular reporting and disclosure requirements.

As a listed company, the Company is subject to ASX Listing Rules which require it to immediately notify ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of the Shares.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Information that is already in the public domain has not been reported in this Prospectus, other than that which is considered necessary to make this Prospectus complete.

The Company will provide a copy of each of the following documents free of charge, to any person on request during the application period in relation to this Prospectus:

## ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS

---

ABN 35 094 006 023

- (a) Prospectus dated 20 February 2003
- (b) The audited financial report of the Company for the financial year ended 30 June 2002 (being the last financial report for a financial year to be lodged with ASIC in relation to the Company before the issue of this Prospectus)
- (c) Any document lodged with ASX pursuant to section 674(1) of the Corporations Act since the lodgement of the financial statements referred to in paragraph (b) above and before the lodgement of this Prospectus with the ASIC.

Such documents lodged are as described below:

No.	Date lodged	Description of Document
1.	10 February 2003	PDN's: PDN Interest in e-span/Coretel acquired by listed co.
2.	7 February 2003	e-span Solutions Pty Ltd
3.	3 February 2003	Commitments Test Entity - Second Quarter Report
4.	23 January 2003	Change of Director's Interest Notice
5.	16 December 2002	Change of Director's Interest Notice
6.	3 December 2002	Results of Annual General Meeting
7.	19 November 2002	Appointed Sole Distribution Agent for Galaxy
8.	15 November 2002	Resignation of Directors
9.	11 November 2002	Change of Director's Interest Notice
10.	7 November 2002	Response to ASX Query re Appendix 4C
11.	1 November 2002	Commitments Test Entity - First Quarter Report
12.	1 November 2002	Change of Director's Interest Notice
13.	24 October 2002	Annual Report/Top 20/Notice of AGM
14.	21 October 2002	Retirement and Appointment of Directors
15.	17 October 2002	Change of Director's Interest
16.	10 October 2002	Response to ASX Query re Annual Financial Statements
17.	27 September 2002	ASIC Annual Audited A/cs
18.	20 September 2002	Preliminary Final Report
19.	10 September 2002	Change of Director's Interest Notice
20.	28 August 2002	Change of Director's Interest Notice
21.	15 August 2002	Change of Director's Interest Notice
22.	13 August 2002	Result of Non-Renounceable Entitlement Issue
23.	5 August 2002	Change of Director's Interest Notice
24.	August 2002	Commitments Test Entity - Fourth Quarter Prospectus
25.	29 July 2002	Appendix 3B - Entitlements Issue Prospectus
26.	9 July 2002	Change of Director's Interest Notice

## ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS

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ABN 35 094 006 023

### **Section 8 Directors' Responsibility Statement**

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in the Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors' knowledge, before any issue of Shares pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated the 20<sup>th</sup> February 2003

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Signed for and on behalf of Echo Technologies Ltd  
By Frank Vanspeybroeck

## ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS

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ABN 35 094 006 023

### Section 9 Definitions

Where the following terms are used in this Prospectus they have the following meanings:

<b>Applicant(s)</b>	A person(s) who submits a valid Application Form pursuant to this Prospectus
<b>Application</b>	A valid application for shares pursuant to this Prospectus
<b>Application Form</b>	The form so described and attached to this Prospectus.
<b>ASIC</b>	The Australian Securities and Investments Commission
<b>ASX</b>	The Australian Stock Exchange Ltd (A.C.N. 008 624 691)
<b>AUD</b>	Australian Dollar
<b>Company</b>	Echo Technologies Ltd
<b>Director</b>	A Director of Echo Technologies Ltd
<b>Echo &amp; Echo Technologies</b>	Echo Technologies Ltd (ACN 094 006 023/ABN 35 094 006 023)
<b>Listing Rules</b>	The official listing rules of the ASX.
<b>Offer</b>	The invitation to the public made in this Prospectus to subscribe for Shares
<b>Securities</b>	Securities means shares
<b>WST</b>	Refers to Western Standard Time



## ECHO TECHNOLOGIES ENTITLEMENTS ISSUE PROSPECTUS

ABN 35 094 006 023

### INSTRUCTIONS TO APPLICANTS

Please post or deliver the completed Application Form together with a cheque to the share registry of the Company. If an Applicant has any questions on how to complete this Application Form, please telephone the Company on (08) 9284 8800.

- A Application for Shares**  
The Application Form must only be completed in accordance with instructions included in the Prospectus.
- B Name of Applicant**  
Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registrable title. Applications using the incorrect form of registrable title may be rejected.
- C Name of Joint Applicant or Account Designation**  
If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registrable title.
- D Address**  
Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after City/Town.
- E Contact Details**  
Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Application Form.
- F CHESSE HIN or existing SRN Details**  
The Company participates in CHESSE. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHESSE HIN. If the applicant is an existing shareholder with an Issuer Sponsored account, the SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.
- G Cheque Details**  
Make cheques payable to "Echo Technologies Limited" in Australian currency and cross them "Not Negotiable". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Application Form.
- H Declaration**  
By completing the Application Form, the Applicant will be taken to have made to the Company the declarations and statements therein. The Application Form does not need to be signed.

If an application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept an Application Form, and how to construe, amend or complete, shall be final. An Application form will not however, be treated as having offered to subscribe for more Shares than is indicated by the amount of the accompanying cheque.

Forward your completed application together with the application money to:

**ECHO TECHNOLOGIES LIMITED**  
FIRST FLOOR  
10 STIRLING HIGHWAY  
NEDLANDS WA 6009

**ECHO TECHNOLOGIES LIMITED**  
PO BOX 661  
NEDLANDS WA 6909

OR

#### CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of John Smith Or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business names Use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund