



Zylotech Ltd
ASX Listed

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Technology for the Enterprise.

Company Announcement

May 6th 2009

The Australian Stock Exchange Ltd.

Via: e-Lodge Announcement

Ongoing Funding Arrangements

On 23 April 2009, the Company announced it had secured ongoing funding of \$800,000 from a syndicate represented by a substantial shareholder and other parties.

It was a requirement of the proposed Loan Agreement that the Company apply for a waiver from the ASX with respect to the requirements of the ASX Listing Rules in relation to:

- the Company granting security by way of a first ranking fixed and floating charge over the Company's assets (**Charge**); and
- the grant by the Company to the Lenders of 25,000,000 share options exercisable at any time on or before 31 March 2010 at 1.9¢ per share (**Options**).

We are pleased to announce that the requested waiver has been granted by the ASX and the Company is not required to obtain shareholder approval for the grant of the Charge or Options.

It is a condition of the waiver that the lenders cannot acquire any legal or beneficial interest in an asset of the Company pursuant to the Loan Agreement without shareholder approval. However the lenders, as security holders, can receive proceeds of sale on a proper arm's length exercise of their security rights.

Accordingly, after the close of trading on 5 May 2009, the Company signed and exchanged the required loan and security documents and has now been able to proceed with the Loan Agreement terms and receive the agreed second tranche of loan funds.

Peter Granger
Chairman

For further information please contact:

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