

Notification to the ASX
1 July 2008

**Update on proposed acquisition of Corporate Services
and Cost Recovery businesses from Espreon Limited**

Reckon Limited (RKN)

As announced on 10 June 2008, Reckon signed a Cooperation Agreement, with Vectis Group Pty Limited (“Vectis”) in respect of the potential acquisition by Reckon of the Corporate Services and Cost Recovery businesses of Espreon Limited (“Espreon”).

That acquisition is subject to the successful completion of a proposed scheme of arrangement under which Vectis would, subject to satisfactory due diligence and other conditions, acquire all the shares in Espreon (“Scheme Proposal”).

Espreon today announced an update to the terms of the Scheme Proposal.

The board of Reckon announces that the updated terms of the Scheme Proposal have no material impact on the Cooperation agreement between Reckon and Vectis.

Reckon’s participation in the Cooperation Agreement remains consistent with Reckon’s previous announcement. In particular the purchase price that Reckon estimated in its last announcement is not expected to be materially different.

At present there can still be no assurance given that the Scheme Proposal will proceed.

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