

Notification to the ASX  
1 August 2008

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

Reckon Limited (RKN)

Reckon Limited wishes to announce an update on developments regarding its participation in the potential acquisition of the Corporate Services and Cost Recovery businesses of Espreon Limited ("Espreon") through its Cooperation Agreement with Vectis Group Limited ("Vectis").

At present Vectis does not intend to proceed with its merger proposal at \$0.705 cents per share as announced to the ASX on 1 July 2008. Vectis also notified Espreon that it was prepared to revise its offer to \$0.65 cents per share.

Espreon and Vectis have agreed to continue discussions with a view to reaching a mutually acceptable proposal which may be put to Espreon shareholders.

Reckon will inform its shareholders of any developments.

At present there can still be no assurance given that the scheme proposal previously announced will proceed.

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