



Notification to the ASX
29 October 2008

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

Reckon Limited (RKN)

With reference to the Espreon Limited (**Espreon**) announcement of 28 October 2008, Reckon Limited (**Reckon**) has been informed by Vectis Group Pty Limited (**Vectis**) that a letter has been sent to Espreon regarding the breach of the index decline condition in the Scheme Implementation Agreement dated 22 August 2008 (**Agreement**) between Espreon and Vectis.

Vectis in their letter have, in accordance with the terms of the Agreement, proposed to Espreon that they meet as soon as possible to discuss whether, and if so, on what basis or terms the scheme of arrangement under the Agreement may proceed.

Any determination by Vectis in this regard will impact on the Share Sale Agreement of 23 September 2008 between Reckon and Vectis for the sale of the Corporate Services and BillBack businesses of Espreon.

Reckon will update its shareholders as further information regarding the Agreement becomes available.

For further information, please contact:

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