MDSnews Limited

(formerly CommSoft Group Limited)

Supplementary Prospectus

Attached is the MDSnews Limited Supplementary Prospectus dated 20 January 2006 and lodged with the Australian Securities and Investment Commission on the same day.

For any further information please contact Allan Shek on 02 9251 6222 or shareholder@mdsnews.com

MDSnews Limited (formerly CommSoft Group Limited)

ABN 90 091 744 884

(Company)

Supplementary Prospectus

All new Applications for Shares may only be made on the Application Form attached to this Supplementary Prospectus.

The Offer closes at 5.00pm on 3 April 2006.

Important Notice

MDSnews Limited ABN 90 091 744 884 (**Company**) lodged a prospectus with the Australian Securities and Investments Commission (**ASIC**) on 12 July 2005 for the issue of Shares (**Prospectus**) and a supplementary prospectus dated 13 October 2005 (**Supplementary Prospectus No. 1**).

This Supplementary Prospectus, dated 20 January 2006, is supplemental to the Prospectus and Supplementary Prospectus No. 1. The Prospectus contains detailed information about the Company and, together with Supplementary Prospectus No. 1 and this Supplementary Prospectus, should be read before completing the Application Form attached to this Supplementary Prospectus.

All terms defined in the Prospectus and Supplementary Prospectus No. 1 have the same meaning in this Supplementary Prospectus, unless the context requires otherwise.

In accordance with section 724 of the *Corporations Act* 2001 (Cth) (**Corporations Act**), Applicants who have submitted Applications for Shares pursuant to the Prospectus and/or Supplementary Prospectus No. 1, may contact the Company and request the return of their Application Money within one month of the date of this Supplementary Prospectus. Interest will not be paid on refunded Application Money. (For further details see Section 5.2 of this Supplementary Prospectus.)

This Supplementary Prospectus was lodged with the ASIC on 20 January 2006. Neither ASIC nor ASX takes responsibility for the contents of this Supplementary Prospectus.

1. THE EFFECT OF THIS SUPPLEMENTARY PROSPECTUS

1.1 The Reasons for this Supplementary Prospectus

This Supplementary Prospectus has been prepared to provide additional updated disclosure to investors in relation to the Offer and to provide the Company with an additional 3 months in which to complete the Offer and to achieve quotation of the Shares. The Company has obtained relief from ASIC, the effect of which is to modify section 723 of the Corporations Act so that the Company may extend its Offer beyond the date that is 3 months after the date of the Prospectus.

1.2 Key Dates for the Offer on page 8 of the Prospectus

The Closing Date of the Offer is to be extended to 3 April 2006. Any reference to the Closing Date in the Prospectus is a reference to 3 April 2006. A revised timetable is set out below.

KEY DATES FOR THE OFFER

Date	Event
12 July 2005	Prospectus lodged with ASIC
12 July 2005	Opening date for receipt of Applications
13 October 2005	Supplementary Prospectus No. 1 lodged with ASIC
20 January 2006	This Supplementary Prospectus lodged with ASIC
3 April 2006	Closing Date for receipt of Applications
10 April 2006	Expected date for despatch of Share holding statements
13 April 2006	Expected date of Quotation of Shares on ASX

Note

The above timetable is indicative only. The Directors reserve the right to vary the dates and times of the Offer without prior notice, including closing the Offer prior to the indicative Closing Date, which may have a consequential effect on other dates.

2. ADDITIONAL INFORMATION

2.1 New sponsoring brokers

The Company has engaged Axis Financial Group (Australia) Limited (**Axis**) and Cube Financial Group Limited (**Cube**) as lead sponsoring brokers in addition to Morrison Securities Pty Limited (**Morrison Securities**). The Company signed a mandate letter on 18 January 2006. Under this mandate letter, brokerage of 6% on funds raised by Axis and Cube will be paid in addition to a $20,000 success fee on the successful closing of the Offer.

2.2 Business update

Since release of the Prospectus, the MDSnews Group has achieved the following positive business outcomes:

1. Reduced operating costs throughout the MDSnews Group.
2. Successfully commenced business operations in the United Kingdom by replicating the MDSnews.com business model.
3. Has entered into 3rd party agreements with:
    - Axis for a joint venture in the MDSnews Media Services division;
    - Macquarie Bank Limited to facilitate futures transaction services; and

- Market Informer Pty Ltd for the distribution of the Market Analyser software.

4. Has engaged the services of Christopher J Reeve as a consultant to assist the management team in both the domestic and international sales and marketing of the MDSnews Group technology.

Reduced operating costs

The MDSnews Group undertook a cost cutting programme and business rationalisation exercise during December 2005. As a result, significant business efficiencies have been achieved. The plan should be concluded by March 2006 and will deliver a further annualised $600,000 in cost savings.

United Kingdom operation

The MDSnews Group has made encouraging progress with its first attempt to replicate the MDSnews business model outside of Australia. Initial marketing partners have been established in the UK as the first focus for the European region. Marketing, sales training, client support and education partnerships have been put in place and new subscribers are being added. Based on the current operating model, for every block of 1000 subscribers that are added in the UK, approximately 1 million dollars flows straight to the bottom line of the MDSnews Group.

Axis MDSnews joint venture

MDSnews.com Limited (ABN 26 072 209 762) (**MDSnews.com**) has executed a Heads of Agreement with Axis for a 50/50 joint venture for the operation of the MDSnews Media division. The joint venture will be operated through a new company to be incorporated, with each of MDSnews.com and AXIS owning 50% of the company. The Company views this transaction as a positive step for the MDSnews Group. Contributions from Axis will be allocated against the operating costs of the division. The Directors believe that this joint venture will help the MDSnews Group to maximise the future value of the MDSnews Media division.

Axis currently has the following business activities:

- Corporate Advisory Services;
- Share trading;
- Wealth Management and Financial Planning; and
- Interests in Market Informer Pty Ltd, which currently markets the MDS trading platform.

Macquarie Bank Limited

MDSnews Australia Pty Ltd (ABN 22 002 314 310) (**MDSnews Australia**) has signed a Transaction Routing Agreement with Macquarie Bank Limited (Futures Division), for the Market Analyser technology platform. This Agreement will enable the MDSnews Group's clients to place online orders for SFE and all major global futures products. MDSnews Australia has negotiated a transaction rebate, which will assist in the MDSnews Group's endeavors to build transaction based revenue as a significant part of future earnings. Transaction based revenue is likely to enable the MDSnews Group to reduce its data and software related costs to clients and thereby position the MDSnews Group as a competitor to the large scale discount online brokers in the future.

Market Informer

MDSnews.com has formed a strategic marketing alliance with education group, Market Informer Pty Limited (**MI**). MI is distributing the Market Analyser technology under the Market Informer 5 (MI5) brand which now has straight through order processing (STP) capability via Man Financial Limited. The MDSnews Group and MI will continue to focus on distribution opportunities through the various relationships MI has with brokers and financial institutions throughout Australia and the Asia Pacific region.

Christopher J Reeve - Consultant

Christopher Reeve has some 25 years experience in global financial markets and has held several senior positions in both Australia and Europe. He was formerly Managing Director of Tullett and Tokyo Australia, now known as Tullett Prebon, one of the largest inter-bank brokers in the world. Tullett Prebon specialises in bank treasury products such as foreign exchange, fixed interest, futures, equities and energy.

3. FINANCIALS

The MDSnews Group has commenced to streamline the business and focus on the MDSnews Group's core strengths which is software development, sales and marketing and enhancing the IP of the Market Analyser.

As such the MDSnews Group took measures to eliminate any expenses not directly attributable to the enhancement of the core business activities. This has allowed for annualised group savings in the order of $600,000

The Board is of the view that these cost savings will not impact on the MDSnews Group's ability to continue with improvements in its core technology or impact on its ability to establish new distribution channels for the Market Analyser technology.

Comparison of Total Normalised and Forecast EBITDA as shown in the Prospectus with the Unaudited MDSnews Group Result for 2005, together with MDSnews Group Management Accounts for the period 1 July to 31 December 2005.

	Prospectus $	Actual $	Difference $	Management Accounts July to December 2005 $
EBITDA before normalisation adjustment	(421,575)	(675,259)	(253,684)	(150,461)
Normalisation adjustments				
Consulting fees	136,364	136364	0	99,996
CEO remuneration	(150,000)	(150,000)	0	(75,000)
Payroll tax	161,670	161670	0	0
Occupancy Costs	55,203	87,859	32,656	0
Repairs	15,000	15,000	0	0
Staff Redundancy Costs	0	0	0	15,840
Legal fees (relating to due diligence)	0	40,534	40,534	6,316
Marketing (relating to subscriber survey)	0	9,900	9,900	0
EBITDA normalised	(202,838)	(373,432)	(170,594)	(103,309)

* The above figures are unaudited and exclude the Company (the proposed holding entity of the MDSnews Group).

EBITDA since 1 December 2005

The MDSnews Group has had a positive normalised EBITDA since 1 December 2005.

Working Capital

On completion of the Offer, the Company will have sufficient working capital to carry out its objectives stated in Section 2.7 of the Prospectus.

4. FUNDRAISING UPDATE

The Directors believe that the engagement of Axis and Cube as sponsoring brokers will enhance the Company's chances of successfully completing its fundraising. A purpose of issuing this Supplementary Prospectus is to allow the Company sufficient time to obtain an adequate spread of shareholders to satisfy the requirements of the ASX Listing Rules.

At the date of this Supplementary Prospectus, the Company had received a net 146 applications for 4,350,000 ordinary shares totaling $870,000.

5. IMPORTANT INFORMATION FOR APPLICANTS

5.1 Action required by either new investors who HAVE NOT previously submitted an Application Form OR existing investors who wish to apply for additional Shares.

All new Applications must be made on the Application Form attached to this Supplementary Prospectus. The Application Form should be completed as per the instructions set out on the reverse side of the Application Form. Applications must not be made on the Application Form attached to the Prospectus.

Applicants must apply for a minimum of 10,000 Shares ($2,000) per Application, and thereafter in multiples of 2,500 Shares ($500).

Application Forms must be accompanied by a cheque (personal cheque or bank cheque) in Australian Dollars for an amount equal to the Application Money. Cheques should be made payable to "MDSnews Limited" and crossed "not negotiable".

Applicants must forward their completed Application Form, together with the Application Money, to:

MDSnews Limited Share Offer
Computer Share Investor Services Pty Ltd
GPO Box 7115
Sydney NSW 2001

MDSnews Limited Share Offer
Computer Share Investor Services Pty Ltd
Level 3
60 Carrington Street
Sydney NSW 2000

5.2 Action required by investors who HAVE previously submitted an Application Form

Existing investors who have already lodged an Application Form pursuant to the Prospectus and Supplementary Prospectus No. 1 do not need to lodge a new Application Form. Their Application for Shares will not be affected.

Existing investors may however lodge a further Application Form if they wish to apply for additional Shares under this Supplementary Prospectus. In that event, they should refer to the instructions set out above in Section 5.1 of this Supplementary Prospectus.

In accordance with section 724 of the Corporations Act, investors who have lodged Applications under the Prospectus and/or Supplementary Prospectus No. 1, prior to the date of this Supplementary Prospectus, are entitled, within one month, to withdraw their Application and be repaid their Application Money.

Any investor who wishes to obtain a refund should write to the Company at the address set out above in Section 5.1 of this Supplementary Prospectus so that the letter is received no later than 20 February 2006. The details of the refund cheque (including the address to which it should be sent) must correspond to the details contained in the Application Form previously lodged by that investor. Refunds will be paid as soon as practicable.

Existing investors who choose not to withdraw their Applications within one month from the date of this Supplementary Prospectus will not have an opportunity to withdraw their Application until three months from the date of this Supplementary Prospectus. This further opportunity to withdraw Applications will only arise if the Shares have not been admitted to quotation on the ASX within three months after the date of this Supplementary Prospectus.

6. DIRECTORS' STATEMENT

The lodgment of this Supplementary Prospectus with ASIC has been consented to by each director of the Company and has been duly signed by a director of the Company.

David Whitfield
Director

MDSnews.com Real tools for real traders

Registry Use Only

Broker Code

Adviser Code

Application Form

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional adviser without delay. You should read the entire prospectus and this supplementary prospectus carefully before completing this form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the prospectus and this supplementary prospectus.

A I/we apply for

Number of Shares in MDSnews Limited at $0.20 per Share or such lesser number of Shares which may be allocated to me/us

B I/we lodge full Application Money

A$.

C Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)

Title or Company Name | Given Name(s) | Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

D Enter your postal address - Include State and Postcode

Unit | Street Number | Street Name or PO Box /Other Information

City / Suburb / Town | State | Postcode

E Enter your contact details

Contact Name

Telephone Number - Business Hours / After Hours

( )

F CHESS Participant

Holder Identification Number (HIN)

X

Please note that if you supply a CHESS HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESS, your application will be deemed to be made without the CHESS HIN, and any securities issued as a result of the IPO will be held on the Issuer Sponsored subregister.

Cheque details - Make your cheque or bank draft payable to MDSnews Limited

G

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A$
				A$

By submitting this Application Form, I/we declare that this application is completed and lodged according to the Prospectus and this supplementary prospectus and the declarations/statements on the reverse of this Application form and I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate. I/we agree to be bound by the Constitution of the Company.

See back of form for completion guidelines

How to complete this form

A Shares Applied for

Enter the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares. Applications for greater than 10,000 Shares must be in multiples of 2,500 Shares.

B Application Monies

Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares by the price per Share.

C Applicant Name(s)

Enter the full name you wish to appear on the statement of share holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHESS) participants should complete their name identically to that presently registered in the CHESS system.

D Postal Address

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

F CHESS

MDSnews Limited (the Company) will apply to the ASX to participate in CHESS, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited. In CHESS, the company will operate an electronic CHESS Subregister of security holdings and an electronic Issuer Sponsored Subregister of security holdings. Together the two Subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of Shares allotted. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold Shares allotted to you under this Application on the CHESS Subregister, enter your CHESS HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

G Payment

Make your cheque or bank draft payable to MDSnews Limited in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Pin (do not staple) your cheque(s) to the Application Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

Before completing the Application Form the applicant(s) should read this prospectus and this supplementary prospectus to which this application relates. By lodging the Application Form, the applicant agrees that this application for Shares in MDSnews Limited is upon and subject to the terms of the prospectus, this supplementary prospectus and the Constitution of MDSnews Limited, agrees to take any number of Shares that may be allotted to the Applicant(s) pursuant to the prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

Application Forms must be received at the Sydney office of Computershare Investor Services Pty Limited by no later than 5pm Sydney Time on 3 April 2006.
Return the Application Form with cheque(s) attached to:

Computershare Investor Services Pty Limited
GPO Box 7115
SYDNEY NSW 2001

OR

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
SYDNEY NSW 2000

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS"), as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or E-mail privacy@computershare.com.au

If you have any enquiries concerning your application, please contact Axis Financial on 1800 450 444.

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Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual - Use given name(s) in full, not initials	Mr John Alfred Smith	J.A Smith
Joint - Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company - Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s) - Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates - Use executor(s) personal name(s) - Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
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>	Peter Smith
Partnerships - Use partners personal name(s) - Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names - Use office bearer(s) personal name(s) - Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund