MGMwireless

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23 December 2004

Companies Announcement Office
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

COMPLETION OF SHARE PLACEMENT

The Board of Directors of MGM Wireless Limited ("**MGM**" or "**the Company**") is pleased to announce that the placement of 17,500,000 fully paid ordinary shares in MGM at $0.025 per share as announced to Australian Stock Exchange Limited on 1 December 2004 has been completed successfully and was fully subscribed.

The new shares have been placed through Taylor Collison Limited, stockbrokers to a number of professional investors pursuant to section 708 of the Corporations Act.

The total funds raised from the issue of $437,500 are to be used by MGM primarily for working capital purposes and to assist in the marketing of "Message You" to Australian schools.

The shares issued in the placement will rank equally with existing ordinary shares on issue.

MGM confirms that shareholder approval is not required for the share placement.

The Company has also completed the issue of securities as approved by shareholders on 21 December 2004, comprising 5,520,000 fully paid ordinary shares and 9,000,000 incentive options and has issued 2,000,000 unlisted options exercisable at 3 cents per option on or before 30 June 2007 to Taylor Collision Limited in satisfaction of placement fees.

A copy of Appendix 3B as required by Listing Rule 3.10.3 is attached.

For the purposes of section 708A of the Corporations Act 2001 (Cth) ("**Act**"), the Company has allotted shares without disclosure to investors under Part 6D.2 of the Act, and provides this notice in accordance with section 708A(5)(e). Further, at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act. In addition, at the date of this notice there is no 'excluded information' (as defined by in section 708A(7) and (8) of the Act), required to be disclosed by the Company.

Mark Fortunatow – Managing Director
For further information, please contact:

Mr Mark Fortunatow
Managing Director
MGM Wireless Limited
Ph: 08 8415 5165

Mr Craig Ball
Director
Taylor Collison Limited
Ph: 08 8212 2688

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

MGM Wireless Limited

ABN

93 091 351 530

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	(a) Ordinary fully paid shares (b) Unlisted Options (c) Unlisted Incentive Options
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	(a) 23,020,000 ordinary fully paid shares (b) 2,000,000 unlisted options (c) 9,000,000 unlisted incentive options
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	(a) Pari passu with existing ordinary fully paid shares. (b) Unlisted options exercisable at 3 cents on or before 30 June 2007 (c) Unlisted incentive options exercisable at 3 cents on or before 31 December 2007

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes
5	Issue price or consideration	(a) 2.5 cents per share (b) In satisfaction of placement fees (c) Nil
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	(a) For working capital purposes and to assist in the marketing of "Message You" to Australian schools. (b) In satisfaction of placement fees (c) Incentive options to directors, consultants and employees as approved by shareholders on 21 December 2004
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	24 December 2004

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)	155,321,690	Ordinary Shares
		14,103,380	30/11/2010 options exercisable at 20 cents

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)	5,100,000 2,000,000 9,000,000	31/12/2010 options exercisable at 20 cents 30/06/2007 options exercisable at 3 cents 31/12/2007 incentive options exercisable at 3 cents

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) X Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: N J Bassett Date: 23 December 2004
Company secretary

Print name: Neville John Bassett

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