ASX ANNOUNCEMENT AND MEDIA RELEASE **ASX CODE: MBO**

Date: 29 October 2010

Quarterly report for entities admitted on the basis of commitments

Rule 4.7B

- The Company completed its IPO and listing on the ASX
- Improved the depth of the management team
- Successfully transferred manufacturing to Sanmina-SCI
- Implemented new technology infrastructure to support growth objectives
- Assisted BHP Petroleum to measure offshore helicopter rescue risks
- The US Navy successfully completed depth testing of the Mobilarm V200 to 450 metres
- Added an experienced Independent Chairman to the Board, Mr. Richard Allen

The Company successfully raised $2,383,400 and completed its IPO to list on the Australian Stock Exchange (ASX). The Company increased the depth of the management team with the appointment of Patrick Cleary as our VP of Sales. Pat is an experienced Senior Sales Manager with a successful sales career and a proven track record in business development. Tim Venter also joined the Company earlier in the year as our Manufacturing & Quality Manager bringing over twenty years of high volume product manufacturing experience. Since joining Tim has successfully transferred our manufacturing to our contract manufacturer, Sanmina-SCI.

Sanmina-SCI is one of the world's largest contract manufactures and while this move importantly lowers the Company's Cost Of Goods Sold (COGS), this move will provide virtually unlimited flexibility to scale to meet forecasted growth demand and delivers a product to market with the highest levels of quality assurance required by the US Navy contract.

Jorge Nigaglioni, our CFO, completed the implementation of the Salesforce, Ascent and FinancialForce, a CRM/ERP/GL information technology ecosystem. Our new cloud computing infrastructure and new management reporting systems will support our growth objectives, and enable the Company to lower operating costs, scale quickly and deliver industry leading margins. The new system automates our listing compliance and reporting requirements.

BHP Petroleum and Mermaid Marine successfully completed a rescue exercise simulating a helicopter ditching of the North West Shelf of Western Australia, measuring the ability of the local search and rescue assets to recover the survivors using Mobilarm's emergency beacon. The tests demonstrated the Mobilarm V100's ability to locate, track and recover the simulated survivors. The implementation of Mobilarm emergency beacons enable BHP Petroleum to mitigate risks in offshore helicopter transfers and meet rescue objectives.

The Company delivered the first V200 submariner test product to the US Navy on schedule in May 2010. The Navy has since successfully completed depth testing to 450 metres and further field testing is scheduled for FY2011. The Australian Navy has supplied Mobilarm and the US Navy with the use of the Garden Island submarine escape test tower for usage testing on 28th October 2010 which confirmed the wearability and suitability of the device for escape.

To continue to meet our investor and listed obligations on independence and corporate governance the Company appointed Richard Allen as our independent Chairman. Richard was previously Managing Director of Tox Free Solutions Limited (ASX: TOX) and Chairman of Plantation Energy Australia Pty Ltd. Richard remains on both boards as a Non-Executive Director.

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

Mobilarm Limited

ABN	Quarter ended ("current quarter")
15 106 513 580	30 September 2010

Consolidated statement of cash flows

	Cash flows related to operating activities		**Current quarter $**	**Year to date (3 months) $**
1.1	Receipts from customers		407,116	407,116
1.2	Payments for	(a) staff costs	(578,747)	(578,747)
		(b) advertising & marketing	(39,387)	(39,387)
		(c) research & development	(115,080)	(115,080)
		(d) leased assets	-	-
		(e) Other working capital	(351,615)	(351,615)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		2,081	2,081
1.5	Interest and other costs of finance paid		(3,304)	(3,304)
1.6	Income taxes (paid)/received		-	-
1.7	Rental recoveries		24,404	24,404
1.7	Purchases of inventory		(141,165)	(141,165)
	Net operating cash flows		**(795,697)**	**(795,697)**

+ See chapter 19 for defined terms.

		Current quarter $	Year to date (1 Year) $
1.8	Net operating cash flows (carried forward)	**(795,697)**	**(795,697)**
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) Net cash acquired on acquisition(item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	(1,596)	(1,596)
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
	Net investing cash flows	**(1,596)**	**(1,596)**
1.14	**Total operating and investing cash flows**	**(797,293)**	**(797,293)**
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	2,383,400	2,383,400
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	10,000	10,000
1.18	Repayment of borrowings	(10,000)	(10,000)
1.19	Dividends paid	-	-
1.20	Share issue expenses	-	-
	Net financing cash flows	**2,383,400**	**2,383,400**
	Net increase (decrease) in cash held	**1,586,107**	**1,586,107**
1.21	Cash at beginning of quarter/year to date	106,411	106,411
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	**Cash at end of quarter**	**1,692,518**	**1,692,518**

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A
1.24	Aggregate amount of payments to the parties included in item 1.2	142,891
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payments were for salaries and director fees

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A	Amount used $A
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	5,000,000	-

Financing facilities available relates to the $6m Equity Drawdown Facility with Equity Partners Funds SPC as announced to the ASX on 16 September 2010, which is subject to shareholder ratification at the annual shareholders meeting on 26 November 2010.

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A	Previous quarter $A
4.1	Cash on hand and at bank	1,692,518	106,411
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Deposits securing guarantees	-	-
	Total: cash at end of quarter (item 1.22)	**1,692,518**	**106,411**

Acquisitions and disposals of business entities

		Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1	Name of entity	Nil	Nil
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

Compliance statement

1 This statement has been prepared under accounting policies, which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Sign here:

Company Secretary Date: 29 October 2010

Print name: Gabriel Chiappini

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.

    - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
    - 9.2 - itemised disclosure relating to acquisitions
    - 9.4 - itemised disclosure relating to disposals
    - 12.1(a) - policy for classification of cash items
    - 12.3 - disclosure of restrictions on use of cash
    - 13.1 - comparative information

3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.