

MOBILARM LIMITED

ABN 15 106 513 580

("Mobilarm")

ENTITLEMENT OFFER

Details of a non-renounceable rights issue by Mobilarm to Eligible Shareholders of 1 New Share for every 2.55 Shares held on the Record Date at an issue price of \$0.05 per New Share to raise approximately \$3.21 million before costs of the Offer

THIS OFFER CLOSSES AT 5PM WST ON 4 MAY 2011

This is an important document. Please consider it carefully and contact your professional adviser if you have any queries. This document is not a prospectus and does not contain all of the information that a prospective investor would find in a prospectus or which may be required to make a decision regarding an application for New Shares or Shortfall Shares offered by this document.

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DIRECTORY

Board

Richard Allen- Non Executive Chairman
Lindsay Lyon – Managing Director
Brenton Scott – Executive Director
Christian Lange – Non Executive Director

Share Registry

Security Transfer Registry Pty Ltd
770 Canning Highway
Applecross WA 5153

Registered Office

768 Canning Highway
Applecross WA 6153

Stock Exchange Listing

Australian Securities Exchange:
Code: MBO

Website

www.mobilarm.com

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IMPORTANT INFORMATION

This Offer Document and enclosed personalised Entitlement and Acceptance Form have been prepared by Mobilarm Limited (ABN 15 106 513 580) (**Mobilarm**). The information in this document is dated 1 April 2011 (other than the ASX Releases).

No party other than Mobilarm has authorised or caused the issue of the information in this document, or takes any responsibility for, or makes, any statements, representations or undertakings in the information in this document.

You should read the information in this document carefully and in its entirety before deciding whether to invest in New Shares or Shortfall Shares. In particular, you should consider the risk factors outlined in Section 3 – Risk Disclosure and the ASX Releases of the Offer made on 1 April 2011 that could affect the operating and financial performance of Mobilarm or the value of an investment in Mobilarm.

1. Eligible Shareholders

The information in this document contains an offer of New Shares and Shortfall Shares to Eligible Shareholders in Australia or New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as notionally modified by Australian Securities and Investments Commission (**ASIC**) Class Order 08/35.

Eligible Shareholders are those holders of Shares who:

- are registered as a holder of Shares as at 5pm (WST) on 13 April 2011 (**Record Date**);
- have a registered address in Australia or New Zealand;
- are not in the United States and are neither a U.S. Person nor acting for the account or benefit of a U.S. Person; and
- are eligible under all applicable securities laws to receive this Offer Document.

2. Shortfall Shares

Mobilarm reserves the right to allot any Shortfall Shares if and to the extent that it determines, in its absolute discretion having regard to circumstances as at the time of the close of the Offer. Any Shortfall Shares will be limited to the extent that there are sufficient New Shares from Eligible Shareholders who do not take up their full Entitlements. Mobilarm may apply any scale-back in its absolute discretion. Therefore, your application for Shortfall Shares may not be successful (wholly or partially). The decision of Mobilarm on the number of Shortfall Shares to be allocated to you will be final. For more information about the Shortfall Offer see section 2.6.

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3. **No cooling off rights**

There are no cooling off rights to an investment in New Shares or Shortfall Shares. You cannot withdraw your Application once it has been accepted.

4. **No Entitlements trading**

Entitlements are non-renounceable and cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

5. **Quotation and trading of New Shares**

Mobilarm has applied for the grant by ASX of official quotation of the New Shares. It is expected that normal trading of the New Shares will commence on 12 May 2011. Mobilarm disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares before the New Shares are listed on the Official List of ASX or receiving their confirmation of issue, whether on the basis of confirmation of the allocation provided by Mobilarm or the Share Registry.

6. **Not investment advice**

The information in this document is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Mobilarm is not licensed to provide financial product advice in respect of the New Shares or Shortfall Shares. The information in this document does not purport to contain all the information that you may require to evaluate a possible application for New Shares or Shortfall Shares.

Before deciding whether to apply for New Shares and/or Shortfall Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the information in this document, you have any questions about the Offer, you should contact your stockbroker, accountant or other independent professional adviser.

7. **Disclaimer of representations**

No person is authorised to give any information, or to make any representation, in connection with the Offer that is not contained in this document.

Any information or representation that is not in this document may not be relied on as having been authorised by Mobilarm, or its related bodies corporate in connection with the Offer. Except as required by law, and only to the extent so required, none of Mobilarm, or any other person, warrants or

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guarantees the future performance of Mobilarm or any return on any investment made pursuant to the information in this document.

8. **Taxation**

The issue of Entitlements should not give rise to any income tax implications for Shareholders.

The exercise by Eligible Shareholders of their Entitlement to acquire New Shares under the Offer should not result in any capital gain or capital loss being recognised for Capital Gains Tax purposes. Furthermore, Shareholders should not derive assessable income from the exercise of the Entitlement.

If a Shareholder does not exercise their Entitlement to acquire New Shares, that Shareholder will receive no consideration for the lapse of their Entitlement, and on that basis there should be no income tax implications for the Shareholder.

The issue of Entitlements and new Shares is not subject to GST.

Shareholders in any doubt should obtain taxation advice from their own taxation adviser.

9. **Rounding of Entitlements**

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

10. **Information availability**

Eligible Shareholders in Australia and New Zealand can obtain a copy of the information in this document during the period of the Offer on the Mobilarm website at www.mobilarm.com or by calling the Company Secretary, David McArthur, on 08 94233200. Persons who access the electronic version of this document should ensure that they download and read the entire document. The electronic version of this document on the Mobilarm website will not include an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by contacting the Company Secretary.

11. **Past Performance**

Investors should note that the past share performance of Mobilarm Shares provides no guidance as to future price performance.

12. **Future performance and forward looking statements**

Neither Mobilarm nor any other person associated with or representing Mobilarm warrants or guarantees the future performance of the New Shares or Shortfall Shares or any return on any investment made pursuant to the

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Offer. Forward looking statements, opinions and estimates provided in the information in this document are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Mobilarm and the Board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this document.

13. Governing law

This document, the Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Western Australia, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia.

14. Foreign jurisdictions

The information in this document has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

The New Shares being offered under the information in this document are also being offered to Eligible Shareholders with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). The information in this document is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

The information in this document does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of the information in this document (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of the information in this document, you should observe such restrictions and should seek your own advice on such restrictions.

Neither information in this document nor the accompanying Entitlement and Acceptable Form constitutes an offer of securities for sale in the United States or to persons that are, or are acting for the account or benefit of a U.S. Person. Neither this information nor the accompanying Entitlement and

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Acceptance Form may be sent, disseminated or distributed to, directly or indirectly, or relied upon by, persons in the United States or that are, or are acting on behalf of or for the account or benefit of, a U.S. Person, and it may not otherwise be distributed in the United States.

Any non-compliance with these restrictions may contravene applicable securities laws.

The Entitlements, the New Shares and Shortfall Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of a U.S. Person, and the New Shares and Shortfall Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, a U.S. Person, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction in the United States. Accordingly, the New Shares and Shortfall Shares may constitute "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and, for so long as the New Shares and Shortfall Shares remain restricted securities, they may not be deposited in any unrestricted American Depositary Receipt facility with respect to the securities of Mobilarm.

See Section 4 – ASX Releases made in the last three months and included in this document for more information.

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CHAIRMAN'S LETTER

1 April 2011

Dear Shareholder

On behalf of the Board, I am pleased to invite you to participate in the Entitlement Offer we announced on Monday the 28th of February 2011. This offer provides you with the opportunity to increase your investment in Mobilarm Limited and to participate in the continued success of our company.

Purpose of the Entitlement Offer

Mobilarm is seeking to raise approximately \$3.2 million through the Entitlement Offer. The offer is underwritten to a maximum of \$2,131,255 of the Shortfall.

The Entitlement Offer will enable Mobilarm to acquire all the shares in the UK based company, Marine Rescue Technologies and David Marshall Rescue Concepts LLC, the owner of the Sea Marshall Man Over Board (MOB) brand and technologies. This purchase will make Mobilarm Limited the pre-eminent provider of MOB worldwide and by this acquisition, Mobilarm will be provided with a platform for growth with access to world markets for the Company's technologies and services with the potential to create significant shareholder value in coming years.

Details of the Entitlement Offer

Under this Offer Document, existing Eligible Shareholders are offered the opportunity to subscribe for 1 New Mobilarm Ordinary Share for every 2.55 Mobilarm Ordinary Shares held at the Record Date at an offer price of \$0.05 per new Mobilarm Share. This represents a discount of 35% to the closing price of Mobilarm Ordinary Shares on the ASX on 28 February 2011. In addition, Eligible Shareholders also have the ability to apply for more than their Entitlement by participating in the Shortfall Offer.

Other Information

Your Entitlement is set out in the personalised Entitlement and Acceptance Form that accompanies this Offer Document. If you do not take up part or all of your Entitlement or you are ineligible to participate, the New Mobilarm Ordinary Shares to which you are entitled but do not take up will form part of the Shortfall. Eligible Shareholders can apply to take up more than their Entitlement and subscribe for Shortfall Shares. The Shortfall Shares may be issued to Eligible Shareholders who apply for those shares or placed with the underwriter and other investors in the Board's discretion.

For information on how to take up your Entitlement under the Entitlement Offer you should refer to Section 7. Please note the closing date for the receipt of Entitlement and Acceptance Forms and Application Monies is 5.00pm (WST) on Wednesday 4 May 2011.

The Directors advise you to carefully read this Offer Document in its entirety before making your investment decision. A description of risk factors that you should consider is set in Section 3.

If you have any questions in respect of the Entitlement Offer please consult your stockbroker, accountant or professional advisor.

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On behalf of the Board, I thank you for your continued support as a Mobilarm Shareholder and I commend the Entitlement Offer to you.

Richard Allen
Chairman

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SECTION 1 – KEY DATES

Event	Date
ASX announcement and lodge Appendix 3B	pre- open 1 April 2011
Offer document lodged with ASX	1 April 2011
Notice to option holders	4 April 2011
Notice to shareholders with timetable	5 April 2011
Notice to ineligible shareholders	5 April 2011
“Ex” date	7 April 2011
Record Date for the Offer	13 April 2011
Cleansing notice lodged with ASX	14 April 2011
Despatch of Offer Document to Eligible Shareholders;	15 April 2011
Offer opens	15 April 2011
Offer closes	4 May 2011
New Shares quoted on a deferred settlement basis	5 May 2011
Notify ASX and underwriter of shortfall	6 May 2011
Despatch date – not later than	11 May 2011
Normal trading of New Shares issued under the Offer expected to commence on ASX	12 May 2011
Allotment of shortfall to underwriter – not later than	25 May 2011
Despatch date (underwriter) – not later than	2 June 2011
Allotment of shortfall shares not issued to Eligible Shareholders or underwriter – not later than	4 August 2011
Despatch date (final shortfall) – not later than	12 August 2011

Note: Dates and times are indicative only and subject to change. All times are to Western Standard Time (**WST**).

Applicants should submit their Entitlement and Acceptance Form as soon as possible after the Offer opens. Subject to the Corporations Act 2001 (Cth) (**Corporations Act**), ASX Listing Rules and other applicable laws to vary the dates of the Offer, Mobilarm reserves the right to extend the Offer or accept late applications, either

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generally or in particular cases, without notice. No cooling off rights apply to the Offer.

Enquiries

If you have any queries, please call the Company Secretary, David McArthur on 08 94233200 or consult your stockbroker, accountant or other independent professional adviser.

Website: www.mobilarm.com

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SECTION 2 – KEY OFFER DETAILS

Ratio for offer	1 New Share for every 2.55 shares held on the Record Date
Size of offer	64,292,852 New Shares
Offer price	5 cents per New Share
Record Date	13 April 2011
Funds to be raised* (Excluding costs)	\$3.21 million
Amount underwritten	Approximately \$2,131,255

*Note: This assumes the Offer is fully subscribed, and no options are exercised prior to the record date.

1. **Details of the Offer**

Mobilarm is making a pro-rata non-renounceable rights issue underwritten to up to \$2,131,255 offering Eligible Shareholders 1 New Share for every 2.55 Shares held on the Record Date. The issue price of \$0.05 per New Share is payable in full on making an Application.

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. Fractional Entitlements will be rounded up to the nearest whole Share.

Eligible Shareholders can also apply for additional Shortfall Shares under the Shortfall Offer. Please see section 2.6 for further details.

The total number of New Shares issued under the Offer will be approximately 64,292,852. The gross proceeds (before the costs Offer) will be approximately \$3.21 million.

The closing date and time for acceptances and payments is 5.00pm WST on 4 May 2011 (subject to any extension by Mobilarm).

2. **Who is entitled to participate in the Offer**

Eligible Shareholders as described on page 2 of this Offer Document are entitled to participate in the Offer.

3. **Ineligible Shareholders**

All Shareholders who are not Eligible Shareholders are ineligible shareholders (**Ineligible Shareholders**). Ineligible Shareholders will not be entitled to participate in the Offer.

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Mobilarm has determined that it would be unreasonable on this occasion to extend the Offer to Ineligible Shareholders having regard to the number of securities held by Ineligible Shareholders and the costs of complying with the legal and regulatory requirements which would apply to an offer of securities to Ineligible Shareholders in various jurisdictions.

4. **Rights trading**

This Offer is made on a non-renounceable basis such that Eligible Shareholders cannot sell or transfer all or part of their Entitlement.

5. **Underwriting**

The Offer is underwritten to approximately \$2,131,255 by Dutch Ink (2010) Pty Ltd ABN 73 145 338 825 (**Dutch Ink**). Dutch Ink will be paid an underwriting fee of 6% of the total entitlements issue and will be issued 15 million options subject to shareholder approval.

6. **Shortfall**

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall.

Eligible Shareholders who have taken up their full Entitlement may apply under the Shortfall Offer for Shortfall Shares in addition to their Entitlement. The issue price of Shortfall Shares is the same as the issue price for New Shares (\$0.05 per Shortfall Share).

The Board reserves the right to issue Shortfall Shares to Applicants under the Shortfall Offer in its absolute discretion. The Board may allocate to an Applicant a lesser number of Shortfall Shares than the number for which the Applicant applies or reject any Application for Shortfall Shares in its discretion. If an Applicant receives less Shortfall Shares than the number applied for, surplus Application Money will be refunded in full without interest.

Shortfall Shares to be allotted to Eligible Shareholders will be allotted at the same time as the New Shares under the Offer are allotted. Eligible Shareholders may apply for Shortfall Shares by completing an application for Shortfall Shares on the Entitlement and Acceptance Form.

Subject to the Corporations Act and the ASX Listing Rules the Board reserves the right to separately place some or all of the Shortfall Shares to institutional or sophisticated investors as selected by the Board in its discretion within 3 months after the Closing Date.

There is no guarantee that Eligible Shareholders who apply for Shortfall Shares will receive any Shortfall Shares.

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The Offer is partially underwritten. The Shortfall Shares remaining after acceptance of all Applications from Eligible Shareholders for Shortfall Shares and not otherwise placed to institutional or sophisticated investors will be placed to the underwriter to a maximum of \$2,131,255.

7. **Minimum Subscription**

There is no minimum subscription for the Offer.

8. **Issue of New Shares**

New Shares and Shortfall Shares to be issued to Eligible Shareholders will be issued as soon as practicable after the Closing Date and holding statements are anticipated to be despatched no later than 11 May 2011. Issues of New Shares and Shortfall Shares under the Offer will only be made after permission for their quotation on ASX has been granted.

Subscription money will be held in a subscription account until the New Shares are issued. This account will be established and kept by Mobilarm on behalf of each participating Eligible Shareholder.

Interest earned on the subscription money will be for the benefit of Mobilarm and will be retained by Mobilarm irrespective of whether New Shares or Shortfall Shares are issued.

9. **Rights Attaching to New Shares**

The New Shares and Shortfall Shares issued will rank equally with the existing ordinary shares on issue. The rights and liabilities attaching to the New Shares and Shortfall Shares are set out in Mobilarm's Constitution and in the Corporations Act.

10. **Privacy Statement**

If you complete an application for New Shares or Shortfall Shares, you will be providing personal information to Mobilarm (directly or by the Share Registry). Mobilarm collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that is held about you. If you wish to do so contact the Share Registry at the relevant contact numbers set out in this Offer Document.

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Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended). You should note that if the information required on the application for New Shares is not provided, Mobilarm may not be able to accept or process your application.

11. Risk factors

An investment in Mobilarm involves general risks associated with an investment in the share market. The price of New Shares and Shortfall Shares may rise or fall. There are also a number of risk factors, both specific to Mobilarm and of a general nature, which may affect the future and operating and financial performance of Mobilarm and the value of an investment in Mobilarm. The specific and general risk factors are described in Section 3. Before deciding to invest in Mobilarm, prospective investors should consider those factors carefully and if they are in any doubt, should obtain their own professional advice.

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SECTION 3 – RISKS

1. Introduction

The New Shares and Shortfall Shares offered pursuant to the Offer involve investors being exposed to risk. The Board strongly recommends that potential applicants examine the contents of this Offer Document and consult their professional advisers before deciding whether to apply for New Shares or Shortfall Shares pursuant to the Offer.

There are specific risks which relate directly to Mobilarm's business. In addition, there are other general risks, many of which are largely beyond the control of Mobilarm and the Board.

The risks identified in this section, or other risk factors, may have a material impact on Mobilarm's financial performance and the market price of Mobilarm's shares.

The following summary, which is not exhaustive, represents some of the major risk factors of which potential investors need to be aware.

2. Financing Risks

The development of Mobilarm's business depends upon Mobilarm's ability to obtain financing of its operations, through private placement financing, debt financing, sale of assets or other means. There is no assurance that Mobilarm will be successful in obtaining finance to satisfy its on-going capital requirements.

3. Share Market Conditions

The price of Shares quoted for trading by the ASX is impacted by various international and domestic factors. As Mobilarm is listed on ASX, its Share price is subject to these numerous influences that may reflect both the trends in the share market and the share prices of individual companies.

The factors which may create fluctuations in the share market include inflation, economic conditions, Australian and foreign trading circumstances, commodity prices, interest rates and exchange rates.

4. Government Policy and Regulatory Changes

Government policies are subject to review and changes from time to time. Such changes are likely to be beyond Mobilarm's control and may affect industry profitability.

Changes in community attitudes on matters such as taxation and competition policy may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect Mobilarm's business plans or its rights and obligations in respect of its technology. Any such government action may also require increased capital or operating expenditures and could impact Mobilarm's business.

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Mobilarm's markets are in Australia and overseas and so domestic and foreign changes could have impact on Mobilarm.

5. **Exchange Rate Risks**

A proportion of Mobilarm's revenue is derived from overseas markets and thus exposes Mobilarm's income to exchange rate risks. A proportion of sales are denominated in United States dollars and pounds Sterling, as well as other foreign currencies. Income and expenditure of Mobilarm are and will be taken into account in Australian currency, exposing Mobilarm to the fluctuations and volatility of the rate of exchange between the United States dollar, other currencies and the Australian dollar as determined in international markets.

6. **Economic Conditions**

Economic conditions, both domestic and global may affect Mobilarm's performance. Factors such as currency fluctuations, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs, commodity prices and share market prices. Mobilarm's future possible revenue and share price can be affected by these factors all of which are beyond Mobilarm's control and the Directors' control. In addition, Mobilarm's ability to raise additional capital, should it be required, may be affected.

7. **Taxation**

Mobilarm is subject to various forms of taxation, of which income tax and the goods and services tax are expected to have the most significant impact. There is an ongoing risk that changes to taxation legislation may adversely impact revenues or expenditures, and therefore Mobilarm's financial performance.

8. **Contractual Risks and Other Legal Risks**

All agreements entered into by Mobilarm are subject to interpretation. There is no guarantee that Mobilarm will be able to enforce all its rights under its agreements with third parties.

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern Mobilarm's operations or contractual obligations, could impact adversely on Mobilarm's assets, operations, financial performance and share price.

9. **Reliance on Key Personnel and Availability**

Mobilarm is reliant upon its Board and key employees. The loss of any of these personnel may have a materially adverse impact on Mobilarm's business, and Mobilarm's financial performance. There is also a shortage of qualified people and competition for key staff, particularly in Australia due to various economic factors.

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10. **Intellectual Property**

Mobilarm regards its copyright, trademarks, trade secrets, know how and similar intellectual property as critical to its success. Mobilarm relies on patent, trademark and copyright law and trade secret protection to protect its intellectual property rights. While Mobilarm will use all reasonable endeavors to protect these rights, the steps that Mobilarm takes to protect its intellectual property rights may be inadequate. The unauthorized use or disclosure of its proprietary technology and systems may have an adverse affect on Mobilarm's operation and financial performance. Patents that may be held by Mobilarm will, as with all patents, expire over time, such that the protection provided by those patents, will cease.

11. **Expansion & Integration**

While acquisitions undertaken by Mobilarm such as the acquisition of Marine Rescue Technologies Limited (**MRT**) now under way, have the potential to generate substantial returns in the longer term, there can be no certainty that these returns will be forthcoming. There are risks inherent in successfully integrating the businesses acquired into a larger organization, including different operating and accounting systems and differing management and reporting requirements and risks associated with business operations in other jurisdictions.

Also, there is no certainty that opportunities suitable to Mobilarm's strategy for growth will become available or will be successfully acquired. In either event, if anticipated cost efficiencies or sales do not reach anticipated levels, this could materially impact Mobilarm's profitability.

12. **Technology**

New technologies may prove to be more commercially viable than Mobilarm's technology. Alternative technologies could also cause competition for markets and resources or cause an adverse change in Mobilarm's ability to enter into joint ventures and other strategic alliances.

13. **Project Execution Risk**

Amongst other project execution risks, there may be a risk that the proposed acquisition of the issued capital of MRT will not be successfully completed, although the Board is not aware of any substantial risk at the date of this document.

14. **Access to Capital Markets**

To finance its operations Mobilarm may require access to capital markets. The availability and pricing of debt and equity finance is subject to general market conditions. Mobilarm's ability to access capital markets is also dependent upon its own performance and industry specific factors.

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15. **Earnings Predictability**

Mobilarm's revenue is determined by its success in winning and executing contracts and a number of other factors and is not necessarily certain or reliably predictable. This may affect the price of Mobilarm's securities.

16. **Speculative Nature of Investment**

The above list of risk factors ought not to be taken as exhaustive of the risks Mobilarm faces or by investors in Mobilarm. The above factors, and others not specifically referred to above, may in the future materially affect Mobilarm's financial performance and the value of the New Shares and Shortfall Shares offered under this document.

The New Shares and Shortfall Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the Shares.

Potential investors should consider that the investment in Mobilarm is speculative and should consult their professional advisers before deciding whether to apply for New Shares or Shortfall Shares.

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SECTION 4 – USE OF FUNDS & ASX RELEASES

On 28 February 2011 Mobilarm advised that it had entered into a share purchase agreement (subject to due diligence) (**SPA**) to acquire the issued capital of MRT. Details of the acquisition are contained in the announcement.

Consideration for the acquisition is to comprise:

- cash consideration of approximately £1,203,000 payable on completion
- deferred cash consideration of approximately £176,200; and
- deferred consideration payable by the issue of Shares expected by the Company of having a value of approximately £591,000 pursuant to the SPA but in any case, up to a maximum of 20,139,545 Shares, subject to shareholder approval.

On the basis that the Offer is fully subscribed:

- \$ 1,879,688 of the amount raised by the Offer will be applied in payment of the cash consideration for the acquisition of MRT (based on the GBP exchange rate on 29 March 2011)
- \$1,334,954 of the amount raised by the Offer will be applied to working capital.

Where the Offer is only partly subscribed, \$ 1,879,688 will be applied in payment of the cash consideration and any excess amount raised will be applied to working capital.

The following is a list of ASX releases made in the last 3 months:

16/03/2011	Placement / Entitlements Issue
09/03/2011	ASX Limited Grants Waiver from Listing Rule 7.3.2
08/03/2011	MBO Strengthens Presence in Offshore Oil and Gas Sector
04/03/2011	Release from Escrow Restriction
28/02/2011	Half Yearly Report and Accounts
28/02/2011	Letter re MRT Acquisition 28/02/2011
28/02/2011	MRT Acquisition Amendment 28/02/2011
28/02/2011	MRT Acquisition 28/2/2011
25/02/2011	Trading Halt
31/01/2011	Appendix 3(B) – Options 31/01/2011
25/01/2011	Appendix 4(C) – Quarterly
20/01/2011	Release from Escrow 20/01/2011
11/01/2011	Company Secretary Appointment/Resignation
07/01/2011	Appendix 3(B) – End of Escrow Period
05/01/2011	United States Navy Exercises Purchase Option
30/12/2010	Securities Dealing Policy

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SECTION 5 – UNDERWRITING AGREEMENT

Summary of Underwriting Agreement

Mobilarm has entered into an Underwriting Agreement with Dutch Ink pursuant to which Dutch Ink has agreed to underwrite the Offer on the following material terms and conditions (**Underwriting Agreement**).

Dutch Ink will subscribe for so much of the shortfall under the Offer so that Dutch Ink's relevant interest in Mobilarm does not exceed 19.99% at the close of the Offer. As at the date of this notice, Dutch Ink's relevant interest is 7.4%. On this basis the Board estimates that the maximum amount which can be underwritten by Dutch Ink is \$2,131,255 being 42,625,100 New Shares available under the Offer. This means that the Offer is not fully underwritten.

Dutch Ink must subscribe for the shortfall within 15 business days of Mobilarm notifying it of the shortfall. Upon issuing the Shares to Dutch Ink, Mobilarm must pay an underwriting fee equal to 6% of the total funds raised under the Offer (being a fee of \$185,178). In addition Mobilarm must also issue 15,000,000 options to Dutch Ink for which shareholder approval is being sought. The underwriting fees are exclusive of GST.

In entering into the Underwriting Agreement, Mobilarm and Dutch Ink have provided customary representations and warranties regarding authority and capacity to enter into the agreement. In addition, Mobilarm has represented and warranted to Dutch Ink that it is in compliance with all applicable legal obligations (including ASX Listing Rules), its constitution and all agreements to which it is a party and that it will proceed with the Offer in accordance with all applicable laws and conduct the Offer in accordance with the timetable specified in this Offer Document. Further, all information provided by Mobilarm to Dutch Ink is materially true and correct, Mobilarm is not subject to any act of insolvency and that Mobilarm has not agreed to undertake any corporate reconstruction or acquisition (other than the MRT acquisition as disclosed).

Mobilarm must conduct the Offer in accordance with all applicable laws (including all ASX Listing Rule requirements). Mobilarm has agreed not to issue any securities (including options) except as contemplated by the Offer, pursuant to the exercise of outstanding options or in consideration for the acquisition of a similar business to that of Mobilarm. Without Dutch Ink's prior consent, within 6 months after the date of the Underwriting Agreement, Mobilarm must not alter its capital structure or its constitution, dispose of any material business or property, or charge any material or business or property of Mobilarm other than in the ordinary course of business.

The Underwriter may terminate the Underwriting Agreement if Mobilarm breaches any representation or warranty or any other term of the Underwriting Agreement, does not comply with all applicable legal requirements (including Listing Rules and agreements) or the Underwriter reasonably forms the view that there is a material omission or

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misleading and deceptive statement in the Offer Document. In addition, Dutch Ink may terminate the Underwriting Agreement if:

- ASX does not give approval for quotation of the New Shares to be issued under the Offer, or that approval is withdrawn;
- a director of Mobilarm is charged with an indictable offence;
- Mobilarm materially alters its capital structure or constitution without the prior consent of Dutch Ink (other than as described in this Offer Document), including a material change in the shareholding of Mobilarm's top 3 shareholders (including all of their relevant interests);
- a material change occurs in Mobilarm's operations which includes material changes to Mobilarm's financial accounts, board of directors or focus;
- the ASX all ordinaries index closes below 4,500 points;
- any adverse change occurs which materially impacts or is likely to impact Mobilarm's assets operation or financial position;
- any person is appointed under any legislation in respect of companies to investigate the affairs of Mobilarm;
- Mobilarm commits an act of insolvency or suspends payments of debts or undertakes any corporate reconstruction;
- a judgement exceeding \$50,000 is obtained against Mobilarm and is not satisfied within 7 days.

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SECTION 6 – CAPITAL STRUCTURE

Mobilarm has 163,946,773 Shares on issue prior to the Offer. The Offer will increase the total number of Shares on issue to up to 228,239,625.

Mobilarm also has 9,424,333 options on issue with \$0.20 exercise price and varying vesting dates. 2,808,333 of those options are options issued to employees of the Company under its employee stock option plan. The terms of these employee options provide for the exercise price of the options to be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2 following the Offer. Accordingly the exercise price of the options will be adjusted in the following manner.

No. of Options	Old Exercise Price	New Exercise Price	Expiry Date
2,725,000	\$0.20	\$0.193	22 December 2015
83,333	\$0.20	\$0.193	15 October 2015

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SECTION 7 – HOW TO APPLY

1. **The Offer**

Eligible Shareholders (as defined in the “Important Information” section above) are being offered the opportunity to subscribe for 1 New Share for each 2.55 Shares held at 5pm (WST) on 13 April 2011 (**Entitlement**), at the offer price of \$0.05 per New Share (**Offer Price**). They are also being offered the opportunity to subscribe for Shortfall Shares at the Offer Price.

The Offer is being made pursuant to provisions of the Corporations Act which allow rights issues to be offered without a prospectus. As a result, it is important for Eligible Shareholders to read and understand the information on Mobilarm and the Offer made publicly available, prior to taking up all or part of their Entitlement. In particular, please refer to this document, Mobilarm’s interim and annual reports and other announcements made available at www.mobilarm.com.

Your Entitlement is set out on the accompanying Entitlement and Acceptance Form and has been calculated as 1 New Share for every 2.55 Shares you held as at the Record Date rounded up to the nearest whole New Share. If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. New Shares and Shortfall Shares issued under the Offer will rank pari passu with issued Shares.

Note: The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of U.S. Person (as defined under Regulation S under the United States Securities Act of 1933, as amended, the “Securities Act”) (“**U.S. Persons**”).

2. **Consider the Offer in light of your particular investment objectives and circumstances**

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspects of the Offer. You should also refer to “Section 3 – Risks” and the ASX Releases referred to in this Offer Document.

3. **Complete and return the accompanying Entitlement and Acceptance Form with your Application Monies or make a payment by Bpay**

If you decide to take up all or part of your Entitlement or your full Entitlement and Shortfall Shares in addition, please complete and return the Entitlement and Acceptance Form with the requisite Application Monies OR pay your

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Application Monies via Bpay by following the instructions set out on the Entitlement and Acceptance Form.

Mobilarm will treat you as applying for as many New Shares and Shortfall Shares as your payment will pay for in full. If you are paying by Bpay, please make sure to use the specific Biller Code and unique Customer Reference Number (**CRN**) on the back of your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the CRN specific to the Entitlement on that Form.

If you take no action you will not be allocated New Shares and your Entitlement will lapse. Your Entitlement to participate in the Offer is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full or in part will not receive any payment or value for those Entitlements they do not take up.

If you take up and pay for all or part of your Entitlement before the close of the Offer you will be allotted your New Shares as soon as possible after the closing date and no later than 11 May 2011.

If you apply for Shortfall Shares in addition to your Entitlement before the close of the Offer you will be allotted your Shortfall Shares (subject to section 2.6), at the same time you are allotted your New Shares.

Mobilarm also reserves the right (in its absolute discretion) to reduce the number of New Shares or Shortfall Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or if they or their nominees fail to provide information to substantiate their claims.

4. Acceptance of the Offer

The method of acceptance of the Offer will depend on your method of payment being:

- by Bpay; or
- by cheque, bank draft or money order.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by Bpay, you will be deemed to have acknowledged, represented and warranted that you are an Eligible Shareholder (as defined in the "Important Information" section above).

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by Bpay, you will also be deemed to have acknowledge, represented and warranted on behalf of each person on whose account you are acting that:

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- 4.1 you are an Eligible Shareholder and are not in the United States and are not a U.S. Person, and are not acting for the account or benefit of, a U.S. Person and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Offer;
- 4.2 you acknowledge that the Entitlements, the New Shares and the Shortfall Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the New Shares and Shortfall Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities law; and
- 4.3 you have not and will not send any materials relating to the Offer to any person in the United States or that is, or is acting for the account or benefit of a U.S. Person.

Payment by Bpay

For payment by Bpay please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make a payment via Bpay if you are the holder of an account with an Australian financial institution that supports Bpay transactions.

Please note that should you choose to pay by Bpay:

- you do not need to subject the personalised Entitlement and Acceptance Form but are taken to make the declarations on that Entitlement and Acceptance Form; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your Bpay payment is received by the share registry by no later than 5pm (WST) on 4 May 2011. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

Any Application Monies received for more than your final allocation of New Shares or Shortfall Shares will be refunded on or around 11 May 2011. No interest will be paid to Applicants on any Application Monies received or refunded.

Payment by cheque, bank draft or money order

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For payment by cheque, bank draft or money order, you should complete your Entitlement and Acceptance Form in accordance with the instructions on the Form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payment to Mobilarm Limited-Entitlements Issue Account and cross "Not Negotiable".

Your cheque, bank draft or money order must be:

- for an amount equal to \$ 0.05 multiplied by the number of New Shares and Shortfall Shares (if any) that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheques will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares and Shortfall Shares (if any) you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares and Shortfall Shares (if applicable) as your cleared Application Monies will pay for (and to have specified that number of New Shares and Shortfall Shares (if applicable) on your Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

Any application Monies received for more than your final allocation of New Shares and Shortfall Shares (if applicable) will be refunded on or around 11 May 2011. No interest will be paid to Applicants on any Application Monies received or refunded.

Cash payments will not be accepted. Receipts for payment will not be issued.

5. **Mail**

To participate, your payment must be received no later than the close of the Offer, on 5pm (WST) on 4 May 2011. Shareholders who make payment via cheque, bank draft or money order should mail their completed personalised Entitlement and Acceptance Form together with Application Monies using the reply paid or self-addressed envelope provided with this document, or mail to:

Mobilarm Limited
768 Canning Highway
Applecross WA 6953

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SECTION 8 – GLOSSARY OF TERMS

Applicant means an Eligible Shareholder who submits an Entitlement and Acceptance Form.

Application means an application by way of a completed Entitlement and Acceptance Form or where the context requires a person who applies for Shortfall Shares.

Application Money means the money received from Applicants in respect of their Application.

ASIC means the Australian Securities and Investments Commission

ASX means the ASX Limited or the market it operates, as applicable.

ASX Releases means the documents lodged by Mobilarm with ASX as contained in Section 4.

Board means Mobilarm's board of directors.

Company means Mobilarm Limited ABN 15 106 513 580.

Eligible Shareholder means a person who is a Shareholder at the Record Date, and whose registered address is in Australia or New Zealand and who is permitted by applicable securities laws to receive this Offer Document.

Entitlement means for Eligible Shareholders, a right to subscribe for up to 1 New Share for each 2.55 Shares held on the Record Date.

Entitlement and Acceptance Form means the entitlement and acceptance form attached to this Offer Document.

Offer means the offer of a non-renounceable right to subscribe for up to 1 New Share for each 2.55 Shares held on the Record Date at an issue price of \$0.05 per New Share and the Shortfall Offer.

New Shares means the Shares being offered pursuant to the Offer.

Offer Document means this document.

Official List means the official list of ASX

Record Date means 5pm WST on 13 April 2011

Share means a fully paid ordinary share in the capital of Mobilarm.

Shareholder means a person who is the registered holder of Shares.

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Shortfall means the number of New Shares for which applications in response to Entitlements under this Offer Document have not been received by the Closing Date.

Shortfall Offer means the offer of Shortfall Shares pursuant to this Offer Document as set out in section 2.6.

Shortfall Shares means, subject to any Shortfall, the number of Shares for which persons may apply for under the Shortfall Offer.

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