



28 August 2013

ASX Code: MBO

ASX LIMITED

ENTITLEMENT OFFER DOCUMENTS

Mobilarm Limited confirms it has today dispatched the Entitlement Offer documents to its shareholders in relation to the Entitlement Offer announced on 6 August 2013.

A copy of the documents is available on the Company's website: www.mobilarm.com

David McArthur

Company Secretary

MOBILARM LIMITED

ABN 15 106 513 580 (ASX: MBO)

Entitlement Offer Booklet

Details of a 1 for 7 non-renounceable pro-rata entitlement offer of fully paid ordinary shares in Mobilarm Limited at an issue price of A\$0.04 per New Share to raise up to approximately A\$1,711,775 (before costs) (**Entitlement Offer**).

The Entitlement Offer is conditionally, partially underwritten to the value of A\$1,300,000 by Truestone Capital Limited.

The Entitlement Offer opens on 28 August 2013 and closes at 5.00pm (AWST) on 11 September 2013. Valid acceptances must be received before that time.

Not for release, publication or distribution, directly or indirectly, in whole or in part, into or within the United States or to U.S. Persons.

Important Notice

This Offer Booklet is not a prospectus or other regulated document under Australian law or under any other law. It is for information purposes only. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this document.

The New Shares offered by this Offer Booklet should be considered speculative.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

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.

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Important Notices

This Offer Booklet and the enclosed personalised Entitlement and Acceptance Form have been prepared by Mobilarm Limited (ABN 15 106 513 580) (**Mobilarm** or the **Company**). This Offer Booklet is dated 6 August 2013.

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

No representations

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Offer Booklet. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

Eligibility

Applications for New Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Booklet. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Entitlement Offer.

Eligible Shareholders may apply for Additional Shares under the Shortfall by completing the prescribed area on the Entitlement and Acceptance Form. The Shortfall to the Entitlement Offer is to be issued at the absolute discretion of the Directors and as such there is no guarantee that any Additional Shares applied for will be issued to Eligible Shareholders.

Overseas shareholders

This Entitlement Offer does not, and does not intend to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Booklet.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Entitlement Offer is not being extended and New Shares will not be issued to Shareholders with a registered address which is outside Australia and its external territories, or New Zealand.

Shareholders resident in New Zealand should consult their professional advisors as to whether any government or other consents are required, or other formalities need to be observed, to enable them to take up their Entitlements under the Entitlement Offer.

In particular, this Offer Booklet and anything contained in it does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. None of this Offer Booklet, the Announcements reproduced in it or the Entitlement and Acceptance Form and Shortfall Application Form may be distributed or released into or within the United States or to U.S. Persons. The New Shares offered in the Entitlement Offer have not been, and will not be,

registered under the U.S. Securities Act of 1933 (Securities Act) or under any applicable securities laws of any State or other jurisdiction of the United States. The Entitlements, New Shares and Additional Shares may not be offered, sold, taken up, exercised, resold, pledged, renounced, transferred or delivered, directly or indirectly, into or within the United States or to, or for the account or benefit of, U.S. Persons, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws of any State or other jurisdiction of the United States. The New Shares are being offered and sold outside the United States to persons that are not U.S. Persons, or acting for the account or benefit of, U.S. Persons, in reliance on Regulation S under the Securities Act.

2 CEO's letter

Dear Shareholder

I would like to take this opportunity to invite you to participate in the Company's Entitlement Offer.

I have been a long-term shareholder of Mobilarm, investing in both the founding raising and the pre listing and supporting every subsequent capital raising to date.

Most start-ups, particularly technology development companies, go through many phases in their growth cycle. Mobilarm has certainly experienced this in the past and I have experienced this since taking over in January last year.

We have instituted a number of Company transforming changes in the last eighteen months. This has seen both sales turnover and margins increase dramatically since March, whilst expenditure has been significantly reduced.

The new sMRT V100 and sMRT AU10 beacons are undergoing final approval testing prior to being released. We consider these products to be world leaders in their respective categories and will meet the extremely stringent new International Safety Standards.

The critical redesigns were validated in May this year when a global Norwegian Company invited us, together with three opposition manufactures, to attend sea trials off the coast of Norway. Our new products ranked first and second and made a huge impact at these trials as they comprehensively outperformed competitors. There is a very close-knit community in many offshore sectors and securing beachhead accounts bodes well for the future for not only this, but for all sectors.

We have a number of large pipeline opportunities waiting for the release of our new products, which is very exciting. Our first shipment of this equipment is due to be delivered in late August from our manufacturing partners.

The slow take up of our Nigerian opportunity seems to be gathering momentum as the international oil companies come to terms with the fact that they are compelled to follow the Department of Petroleum Resources (DPR) directive.

I have just returned from a very successful visit where we led a workshop attended by various government stakeholders including the National Emergency Management Agency (NEMA). The importance of the technology provided by our products was acknowledged and agreement was given to ensure a collaborative effort by all government agencies to adopt and ensure that the take up of equipment mandated by the Directive is enforced. This will see an escalation in the roll out program.

Whilst we are gearing up to promote our new products to spearhead further growth and upgrade both competitors products as well as our existing customers using out dated technology, we also need to grow the business in other areas to deliver the returns expected by our shareholders. In order to do so, we are in the process of migrating our sales initiatives from a one off sale to a unique and comprehensive Equipment Rental Model, which will generate long-term revenues. This will create significant value for Mobilarm. This model integrates our equipment and service into a more flexible financial solution that creates a better relationship with our customers. In addition we open up significant opportunities where organisations previously restricted by capex budgets are now able to afford our equipment.

Mandatory annual servicing on all of our life saving equipment, adds further value to our annual revenues.

However, in order to begin the roll out of the rental model we need to self-fund the initial inventory build. This will ensure we have sufficient operating cash flows to grow our rental book prior to securing further debt funding via traditional institutions adept to these programs. We will also need to supplement up front sales revenue converted to long-term rental income for a period. The Offer will provide all this necessary funding.

My fellow Directors (where permissible under ASIC regulations) and I will be taking up our full Entitlement.

I am totally committed to Mobilarm and delivering you a return on your investment. I am absolutely aligned with your interests and I have recently acquired an additional significant tranche of shares in Mobilarm that reflects my confidence in the future of our company.

There are millions of people around the world that rely on life jackets on a daily basis. Locator Beacons are becoming more and more prevalent and we see many Industries self-regulating the mandatory use of this equipment. In addition governments and regulatory bodies are taking a firmer stance on the use of equipment such as ours and with stringent health and safety standards becoming the norm we are seeing a lot more interest across all market sectors. We will continue to grow into these markets and remain very excited about our future.

I have had previous success in building a business from start up and converting an outright purchase sales model to a rental model. This ultimately created the value that enabled a very profitable exit for all shareholders.

With the support of my fellow Directors, management, staff and yourself, I believe we will do this for you.

As such I urge you to participate in this issue.

Yours sincerely

Robert "Ken" Gaunt

Chief Executive Officer & Director

3 Details of the Entitlement Offer

3.1 Overview of the Entitlement Offer

Mobilarm intends to raise up to approximately A\$1,711,775 under the Entitlement Offer.

Eligible Shareholders are being offered the opportunity to apply for 1 New Share for every 7 existing Shares held at 5.00pm (AWST) on 26 August 2013 (i.e. the Record Date), at the issue price of A\$0.04 per New Share. Shareholders are also being offered the opportunity to apply for Shares in excess of their Entitlement (**Additional Shares**) (refer to section 3.8).

On the basis that no further Shares are issued or no Options are exercised prior to the Record Date, the Company will be offering approximately 42,794,383 New Shares pursuant to the Entitlement Offer.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Share, such fraction will be rounded up to the nearest whole New Share.

New Shares (and any Additional Shares) issued under the Entitlement Offer will be issued on a fully paid basis and will rank equally in all respects with existing Shares from their date of issue. The rights and liabilities attaching to the New Shares are set out in the Company's constitution, available at www.asx.com.au.

3.2 Key dates

Announcement of the Entitlement Offer (prior to market opening)	6 August 2013
Release of Offer Booklet, Appendix 3B and Cleansing Notice to ASX (prior to market opening)	6 August 2013
Notice to option holders	6 August 2013
Notice to shareholders with timetable	8 August 2013
Notice to ineligible shareholders	8 August 2013
Shares trade on 'ex' entitlement basis	20 August 2013
Record Date for determining Entitlements	5:00pm on 26 August 2013
Offer Booklet sent out to Eligible Shareholders	28 August 2013
Entitlement Offer opens (Open Date)	28 August 2013
Entitlement Offer closes* (Close Date) 5.00 pm (AWST)	5:00pm on 11 September 2013
Shares trade on a deferred settlement basis	12 September 2013
Entitlement Offer Shortfall notification to ASX	12 September 2013
Issue of New Shares (and dispatch of refund payments in respect of unsuccessful applications under the Shortfall Offer)**	18 September 2013
Issue of holding statements	19 September 2013
Normal trading of New Shares on ASX	20 September 2013
Settlement Date	25 September 2013
Issue of Shortfall Securities	2 October 2013

* The Close Date has been determined based upon the current expectations of the Directors and may be changed with 6 Business Days prior notice. The Directors reserve the right to extend the Close Date for the Entitlement Offer and as such, the date the New Shares are expected to commence trading on the ASX may vary.

** These dates are indicative only.

No cooling-off rights apply to the Entitlement Offer.

3.3 Capital Structure

	Shares	Options	Performance C Shares	Performance Rights	Convertible Note
On issue as at the date of this Offer Booklet	299,560,687	71,345,471 ¹	833,333	11,000,000	1 ²
To be issued under the Entitlement Offer ³	42,794,383	Nil	Nil	Nil	Nil
Total after the Entitlement Offer	342,355,070	71,345,471	833,333	11,000,000	1

Notes

1. This includes:
 - a. 3,168,000 unlisted Options exercisable at \$0.20 each on or before 21 September 2013;
 - b. 15,000,000 unlisted Options exercisable at \$0.10 to \$0.20 each on or before 27 July 2014;
 - c. 925,000 unlisted Options exercisable at \$0.20 each on or before 22 December 2015;
 - d. 83,333 unlisted Options exercisable at \$0.20 each on or before 15 October 2015;
 - e. 500,000 unlisted Options exercisable at \$0.072 each on or before 9 June 2016;
 - f. 19,998,651 unlisted Options exercisable at \$0.10 each on or before 28 September 2013;
 - g. 29,670,487 unlisted Options exercisable at \$0.021 each on or before 30 September 2015; and
 - h. 2,000,000 unlisted Options exercisable at \$0.027 each on or before 1 September 2015.
2. Convertible into that number of Shares which, when multiplied by the issue price of \$0.04 per Share, equals the outstanding subscription amount (including interest). The initial face value of the Convertible Note was \$720,989.61.
3. The number of New Shares to be issued under the Entitlement Offer assumes that no Options, Performance C Shares or Performance Rights or the Convertible Note are exercised or converted before the Record Date.

3.4 Open and Close Dates

The Entitlement Offer opens on the Open Date, being 28 August 2013. The Company will accept Entitlement and Acceptance Forms until 5.00 pm (AWST) on the Close Date, being 11 September 2013 or such other date as the Directors in their absolute discretion shall determine, subject to the ASX Listing Rules.

3.5 Entitlements and acceptance

The Entitlement of Eligible Shareholders to participate in the Entitlement Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Booklet.

Acceptances must not exceed your maximum Entitlement (as shown on the Entitlement and Acceptance Form) unless application is made for the Shortfall in the prescribed area on the Entitlement and Acceptance Form. You may accept a lesser number of New Shares should you wish to take up only part of your Entitlement. If your acceptance exceeds your Entitlement (unless applied for under the Shortfall), acceptance will be deemed to be for your maximum Entitlement and any surplus Application Monies will be returned to you.

3.6 What Eligible Shareholders may do

If you are an Eligible Shareholder you may take any of the following actions:

- take up all of your Entitlement;

- take up all of your Entitlement and apply for Additional Shares (refer to section 3.8);
- take up some of your Entitlement and allow some of your Entitlement to lapse (refer to sections 3.7 and 3.8); or
- do nothing and allow all of your Entitlement to lapse (refer to section 3.7).

Please consider the Entitlement Offer in light of your particular investment objectives and circumstances before taking any of the above actions.

If you have any queries or are uncertain about any aspects of the Entitlement Offer please consult with your stockbroker, accountant or other independent financial advisor. In particular, please refer to the “**Key Risks**” section in section 6.1 of this Offer Booklet.

3.7 No trading of Entitlements

Your Entitlement under the Entitlement Offer is non-renounceable. This means it is personal to you and cannot be traded, transferred, assigned or otherwise dealt with. If you do not take up your full Entitlement by the Close Date, any part of your Entitlement which you do not take up will lapse and you will not receive any New Shares under the Entitlement Offer in respect of that part of your Entitlement.

3.8 Shortfall facility

The offer of the Shortfall is a separate offer pursuant to this Offer Booklet. New Shares not taken up by Eligible Shareholders will form part of the Shortfall Offer. The issue price of any New Shares offered pursuant to the Shortfall Offer will be \$0.04 each, which is the issue price at which the Offer has been made to Eligible Shareholders.

Eligible Shareholders

Eligible Shareholders may, in addition to their Entitlement, apply under the Shortfall Offer, regardless of the size of their present holding (**Shortfall Shares**).

Eligible Shareholders who wish to apply for Shortfall Shares above their Entitlement can complete the appropriate boxes on the Entitlement and Acceptance Form accompanying this Offer Booklet and return it together with a cheque for the value of those Shortfall Shares (at \$0.04 per Shortfall Share) to the Registry.

Other investors

Other investors identified by the Underwriter can apply for Shortfall Shares by completing the Shortfall Application Form attached to this Offer Booklet and returning it together with a cheque for the value of those Shortfall Shares (at \$0.04 per Shortfall Share) to the Registry.

Shortfall Shares will only be issued if the Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions. The Directors and the Underwriter reserve the right to reject any application for Shortfall Shares or to allot a lesser number of Shortfall Shares than applied for or not proceed with the issuing of the Shortfall Shares or part thereof. If the number of Shares issued is less than the number applied for in an Entitlement and Acceptance Form or Shortfall Application Form, surplus Application Monies will be refunded in full as soon as practicable after the closing date of the Shortfall Offer. Interest will not be paid on Application Monies refunded.

The Directors and the Underwriter reserve the right to place the Shortfall at their discretion within 3 months after the close of the Offer subject to the Listing Rules and any restrictions under any applicable law. The Company reserves the right to allot to an Applicant a lesser number of Shortfall Shares than the number for which the Applicant applies, or to reject an Application, or to not proceed with the Shortfall Offer or issue of any Shortfall Shares.

3.9 Underwriting and Sub-Underwriting

Underwriting Agreement

The Entitlement Offer will be conditionally partially underwritten by Truestone Capital Limited (**Underwriter**) to the value of A\$1,300,000 (**Underwritten Amount**), being 32,500,000 New

Shares (**Underwritten Securities**). The Company has agreed to pay the Underwriter on or before 6 August 2013, a cash fee of \$10,000.

The Company has also agreed to issue as soon as practicable upon receipt of cleared funds from the Underwriter, 20,000,000 unlisted Options to be issued to the Underwriter (or its nominee), expiring twelve (12) months from their date of issue (**Expiry Date**) and exercisable as follows:

- (a) \$0.04 per Option if exercised within 6 months from their date of issue; and
- (b) \$0.06 per Option at any time after that date which is 6 months from their date of issue but no later than the Expiry Date.

The Underwritten Securities subscribed for by the Underwriter and its associates (but not any third party to whom the Underwriter places any of the Underwritten Securities or New Shares), pursuant to the Underwriting Agreement will not be transferred, assigned or sold for a period of twelve (12) months from their date of issue.

The Underwriting Agreement remains conditional upon:

- (a) Mr Ken Gaunt, Dutch Ink 2010 Pty Ltd and Mr Brenton Scott (and their associates) subscribing for their full entitlement under the Offer;
- (b) On or before 5.00pm on the Close Date, all the directors of the Company, other than Sir Tim McClement, taking up their full Entitlement under the Offer;
- (c) the Company releasing to ASX a cleansing notice (as required under 708AA of the Corporations Act and the timetable set out in paragraph 3 of Appendix 7A of the Listing Rules) and in the Appendix 3B; and
- (d) the Company dispatching to its shareholders the Offer Booklet in accordance with the Timetable.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. Some of the more material termination events are set out as follows:

- (a) (**Indices fall**): the S&P ASX 200 Index is at any time 25% or more below its respective level as at the close of business on 30 July 2013;
- (b) (**Share Price**): the Shares finish trading on the ASX under the ASX Code of MBO on any five (5) consecutive trading days with a closing price that is \$0.03 or below;
- (c) (**Directors entitlement**): the directors of the Company (other than Sir Tim McClement) do not take up their full entitlement under the Offer;
- (d) (**Major Shareholders commitment**): Mr Ken Gaunt, Dutch Ink 2010 Pty Ltd and Mr Brenton Scott (and their associates) do not subscribe for their full entitlement under the Offer;
- (e) (**Offer Booklet**): the Company does not dispatch the Offer Booklet to Shareholders on 28 August 2013 or the Offer Booklet or the Offer is withdrawn by the Company;
- (f) (**Offer Materials**): a statement contained in the Offer Materials is or becomes misleading or deceptive or likely to mislead or deceive, or the Offer Materials omit any information they are required to contain (having regard to the provisions of section 708AA of the Corporations Act and any other applicable requirements);
- (g) (**Lodgement of Cleansing Notice**): the Company fails to lodge with the ASX the Cleansing Notice before 8:00am on the Announcement Date;
- (h) (**Cleansing Notice**): the Cleansing Notice is defective, or a supplementary statement is issued or is required to be issued under the Corporations Act (as modified by ASIC Class Order 08/35);
- (i) (**new circumstance**): an obligation arises on the Company to give ASX a notice in accordance with subsection 708AA(12) of the Corporations Act (as inserted by ASIC Class Order 08/35), in relation to a matter that the Underwriter reasonably considers to be adverse, or a new circumstance that the Underwriter reasonably considers to be

adverse, arises or becomes known which, if known at the time of issue of the Offer Materials and the Cleansing Notice would have been included in the Offer Materials or the Cleansing Notice;

- (j) **(Cleansing Statement):** the Company ceases to be capable of issuing, at the date of issue of any Shortfall Securities, a notice under Section 708A(5)(e) of the Corporations Act to allow secondary trading of any Shortfall Securities; or
- (k) **(Termination Events):** any of the following events occurs, subject to that event having or being likely to have, in the reasonable opinion of the Underwriter reached in good faith, a Material Adverse Effect or possibly giving rise to a liability of the Underwriter under the Corporations Act:
 - (i) **(Timetable):** there is a delay in any specified date in the Timetable which is greater than 14 Business Days; or
 - (ii) **(Market Conditions):** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

In addition, the Underwriting Agreement contains other additional termination provisions that are considered standard for this type of agreement, including (but not limited to), in relation to ASIC commencing proceedings, ASX refusing quotation of the Shares, commencement of hostilities, force majeure and other such events.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

3.10 Directors Interests and Participation

Each Director's interest in the securities of the Company at the date of this Offer Booklet and their Entitlement is set out in the table below.

Director	Shares	Options	Performance C Share	Performance Rights	Entitlement
Sir Tim McClement	1,000,000	2,000,000	Nil	Nil	142,858 ¹
Mr Ken Gaunt	42,946,890 ²	32,671,147	Nil	Nil	6,135,270
Mr Jorge Nigaglioni ³	556,863	Nil	333,334	5,000,000	79,552

Notes

1. Sir Tim McClement was appointed a Director on 1 September 2012 and Chairman on 7 March 2013. As a United Kingdom resident, he will not be participating in the Offer and will therefore not be taking up his Entitlement.
2. Mr Gaunt has an indirect interest in these Shares, which are all held by Blazzed Pty Ltd (an entity controlled by Mr Gaunt).
3. Mr Nigaglioni was appointed a Director on 7 March 2013.

3.11 Effect of the Entitlement Offer on Voting Power in the Company

- (a) The potential effect that the issue of New Shares under the Entitlement Offer will have on the control of the Company is as follows:
 - (i) if all Eligible Shareholders take up their full Entitlement, each Eligible Shareholder's percentage interest in the total issued Shares of the Company will remain the same and will not be diluted;

- (ii) if some, but not all, Eligible Shareholders take up their Entitlement, and all the Shortfall is taken up, the percentage interest in the total issued Shares of each Eligible Shareholder who does not take up their Entitlement will be diluted and the percentage interest of the total issued Shares of each Eligible Shareholder who does take up their Entitlement will remain the same. The precise level of change in the percentage interests will depend on the take up of Entitlements. Refer to section 3.12 below for details in relation to this dilution for various scenarios.
- (b) Neither Eligible Shareholders, nor other investors identified by the Underwriter will be allocated any New Shares, Additional Shares or Shortfall Shares if the allotment and issue will result in their voting power in the Company exceeding 20%, other than as permitted under the Corporations Act.

3.12 Details of substantial holders

Based on publicly available information as at 5 August 2013, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Blazzed Pty Ltd ¹	42,946,890	14.3
Jayden Holdings Pty Ltd /Jayden Investments Pty Ltd / Cruisers Yachts Australia Pty Ltd	36,150,836	12.1
Wayne Vinten/ Newd Corp Pty Ltd/ Tubby Pty Ltd	33,169,409	11.1
Dutch Ink (2010) Pty Ltd	29,338,196	9.8
Greywood Holdings Pty Ltd	20,000,000	6.7

Notes:

- ^{1.} This entity is controlled by Mr Ken Gaunt, a Director.

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

3.13 Dilution

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by up to 12.57% (as compared to their holdings and number of Shares on issue as at the date of the Offer Booklet). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	% at Record Date ²	Entitlements under the Offer ²	Holdings if Offer not taken Up ¹	% post Offer ³
Shareholder 1	20,000,000	6.68	2,857,143	20,000,000	5.84
Shareholder 2	15,000,000	5.01	2,142,858	15,000,000	4.38
Shareholder 3	10,000,000	3.34	1,428,572	10,000,000	2.92
Shareholder 4	5,000,000	1.67	714,286	5,000,000	1.46
Shareholder 5	500,000	0.17	71,429	500,000	0.15

Notes

1. This assumes the Entitlement Offer is fully subscribed.
2. This is based on a share capital of 299,560,687 Shares at the date of this Offer Booklet.
3. This assumes all 42,794,383 Shares offered under this Offer Booklet are issued but that each Shareholder takes up none of their Entitlement.

3.14 Market Price of Shares

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of release of this Offer Booklet and the respective dates of those sales were:

Highest: \$0.095 on 15 January 2013

Lowest: \$0.025 on 16 August 2012.

The latest available closing sale price of the Company's Shares on ASX prior to the printing of this Offer Booklet was \$0.06 on 5 August 2013.

3.15 Eligible Shareholders

The Entitlement Offer is being made to holders of shares in Mobilarm with registered addresses in Australia or New Zealand and has been prepared in accordance with sections 708AA of the Corporations Act. The Entitlement Offer is available to Eligible Shareholders only.

Eligible Shareholders are those Shareholders who:

- are registered as a holder of, a Share as at 5.00pm (AWST), on 26 August 2013 (i.e. the Record Date);
- have a registered address on the Mobilarm securities register in Australia or New Zealand;
- are not in the United States and not "U.S Persons" (as defined in Regulation S under the Securities Act) or acting for the account or benefit of U.S. Persons; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

3.16 Ineligible Shareholders

The Entitlement Offer is only made to Eligible Shareholders. The Entitlement Offer will not be made to Shareholders with registered addresses outside of Australia, New Zealand.

Mobilarm has determined that it would be unreasonable to extend the Entitlement Offer to Shareholders with registered addresses outside of Australia or New Zealand, having regard to the number of such Shareholders in those places, the number and value of New Shares that the Shareholders would be offered and the cost of complying with the relevant legal and regulatory requirements in those places. Accordingly, the Entitlement Offer is not being extended and New Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Entitlement Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

New Shares to which any Shareholders who are not resident in Australia or New Zealand would otherwise be entitled to will form part of the Shortfall.

3.17 New Zealand Shareholders

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

In accordance with the Securities Act (Overseas Companies) Exemption Notice 2013 (NZ), a person who, on the Record Date was registered as a holder of Shares with a New Zealand address but who, as at the time of this Entitlement Offer no longer holds Shares is not eligible to participate in this Entitlement Offer.

3.18 Issue and dispatch

The expected dates for issue of New Shares offered by this Offer Booklet and dispatch of holding statements is expected to occur on the dates specified in the Timetable set out in section 3.2.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

3.19 ASX listing

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Booklet will be made within 7 days after the Close Date of this Offer Booklet. The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

3.20 CHESS

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of Shares can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Booklet. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.21 Tax Implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Booklet. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Booklet.

3.22 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are described in section 6.1.

3.23 Enquiries

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

Information about Mobilarm can be found at www.mobilarm.com.

4 How to apply

4.1 What is my Entitlement?

Your Entitlement is set out on the accompanying Entitlement and Acceptance Form and has been calculated on the basis of one (1) New Share in Mobilarm for every 7 existing Shares you hold as at the Record Date, being 5.00pm (AWST) on 26 August 2013, rounded up to the nearest whole Share. If you have more than one holding of Shares you will be sent more than one Entitlement and Acceptance Form and you will have separate Entitlements for each holding.

This Entitlement Offer is being made pursuant to provisions of the Corporations Act and the ASX Listing Rules which allow entitlement issues to be offered without a prospectus. Accordingly, this Offer Booklet does not contain all of the information which may be required in a prospectus. It is important for Eligible Shareholders to carefully read and understand the information on Mobilarm and the Entitlement Offer made publicly available, prior to deciding whether to take up all or part of their Entitlement, to apply for Additional Shares, or to do nothing in respect of their Entitlement. This Offer Booklet should be read in conjunction with Mobilarm's other periodic and continuous disclosure announcements available at www.asx.com.au.

4.2 How do I apply?

Your acceptance of the Entitlement Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Booklet.

If you decide to take up all or some of your Entitlement or apply for Additional Shares, please complete and return the enclosed Entitlement and Acceptance Form with a cheque for the requisite Application Monies (at A\$0.04 per New Share) or pay your Application Monies via BPAY® pursuant to the instructions set out on the Entitlement and Acceptance Form and described in more detail at section 4.3 below. If you take no action you will not be allocated New Shares and your Entitlement will lapse.

Application Monies received via BPAY® by Mobilarm in excess of the amount in respect of your Entitlement (**Excess Amount**) may be treated as an application to apply for as many Additional Shares as your Excess Amount will pay for in full, subject to any scale-back it may determine to implement, in its absolute discretion, in respect of Additional Shares. Mobilarm's decision on the number of Additional Shares to be allocated to you will be final.

Mobilarm reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders above their Entitlement.

4.3 How do I make payment?

This section sets out the payment methods available to Eligible Shareholders.

Eligible Shareholders must pay with Australian currency by cheque, bank draft, money order or BPAY®.

(a) **Payment by cheque, bank draft or money order**

For payment by cheque, bank draft or money order, your completed Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to "**Mobilarm Limited Entitlement Offer**" and crossed "**Not Negotiable**". Any agreement to issue New Shares (including any Additional Shares if applicable) to you following receipt of your Entitlement and Acceptance Form is conditional on your cheque, bank draft or money order in payment of the Application Monies for those New Shares (including any Additional Shares if applicable) being honoured on first presentation. Your cheque, bank draft or money order must be:

- for an amount equal to A\$0.04 multiplied by the number of New Shares (and any Additional Shares if applicable) that you are applying for; and
- drawn on an Australian branch of a financial institution.

It is important to note that the Entitlement Offer closes at 5.00pm (AWST) on 11 September 2013. In order to participate in the Entitlement Offer, your payment must be received no later than this date. Shareholders who make payment via cheque, bank draft or money order should mail their completed Entitlement and Acceptance Form together with Application Monies as follows:

By post:

Security Transfer Registrars Ltd
PO Box 535
Applecross WA 6953
Australia

By hand:

Security Transfer Registrars Ltd
770 Canning Highway
Applecross WA 6153
Australia

If mailed from within Australia, you can use the reply-paid envelope which is enclosed with your Entitlement and Acceptance Form. If mailed outside Australia, correct postage must be affixed.

Please note that Entitlement and Acceptance Forms and Application Monies will not be accepted at Mobilarm's registered or corporate offices.

(b) Payment by BPAY®

For payment by BPAY® please follow the instructions on the Entitlement and Acceptance Form. It is your responsibility to ensure that your BPAY® payment is received by the Registry by no later than 5.00pm (AWST) on 11 September 2013, being the Close Date. 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.

If you elect to pay via BPAY®, you do not need to lodge an Entitlement and Acceptance Form with the Registry. By making a payment of Application Monies through BPAY®, however, you will be deemed to have made the declarations set out in the Entitlement and Acceptance Form.

Make sure you use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form.

If you have more than one shareholding and consequently receive more than one Entitlement and Acceptance Form, when taking up your entitlement in respect of one of those shareholdings, only use the CRN specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same CRN for more than one of your shareholdings. This can result in your Application Monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid or excess Application Monies being applied solely to an application for Additional Shares rather than your Entitlement).

If you have applied for Additional Shares, your application for Additional Shares may not be successful (wholly or partially). The decision of Mobilarm on the number of Additional Shares to be allocated to you will be final. In this instance any surplus Application Monies received for more than your final allocation of New Shares will be refunded. No interest will be paid on any Application Monies received or returned.

4.4 Effect of acceptance of the Entitlement Offer

By completing and returning your personalised Entitlement and Acceptance Form together with the requisite Application Monies or making a payment via BPAY®, you, and each person on whose behalf you are acting:

- acknowledge that you have fully read and understood both this Offer Booklet and your Entitlement and Acceptance Form in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this Offer Booklet and the Entitlement and Acceptance Form;
- agree to be bound by the terms of the Entitlement Offer, the provisions of this Offer Booklet and the constitution of Mobilarm;
- authorise Mobilarm to register you as the holder(s) of New Shares (and any Additional Shares) allotted to you;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- acknowledge that once Mobilarm receives your Entitlement and Acceptance Form or any payment of Application Monies, you may not withdraw your application or funds provided except as allowed by law;
- agree to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies, including, in each case, any Additional Shares, at an issue price of A\$0.04 per Share;
- authorise Mobilarm, the Registry, and their respective officers or agents to do anything on your behalf necessary for New Shares (and any Additional Shares) to be issued to you, including to act on instructions of the Registry upon using the contact details set out in your Entitlement and Acceptance Form;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this Offer Booklet and your Entitlement and Acceptance Form is not investment advice or financial product advice nor have they been prepared taking into account your investment objectives, financial circumstances or particular needs or circumstances. You acknowledge that this Offer Booklet and your Entitlement and Acceptance Form is not a recommendation that New Shares (including Additional Shares) are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Offer Booklet is not a prospectus or ASX admission document or disclosure document and does not contain all of the information that you may require in order to assess an investment in Mobilarm and is given in the context of Mobilarm's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the risks in the "Key Risks" section 6.1 and that investments in Mobilarm are subject to risk;
- acknowledge that none of Mobilarm or its respective related bodies corporate, affiliates or respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantee the performance of Mobilarm, nor do they guarantee the repayment of capital from Mobilarm;
- agree to provide (and, if applicable, direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of securities on the Record Date;
- authorise Mobilarm to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- represent and warrant that the law of any place does not prohibit you from being given this Offer Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares (or Additional Shares) and you are eligible under all applicable laws to receive an offer under the Entitlement Offer without a prospectus, disclosure document, product disclosure statement or any lodgement, filing, registration or qualification; and

- represent and warrant that your acceptance of the Entitlement Offer does not breach any laws in a jurisdiction outside Australia.

By completing and returning your personalised Entitlement and Acceptance Form together with the requisite Application Monies or making a payment via BPAY®, you will also be deemed to have acknowledged, agreed, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- you are an Eligible Shareholder or otherwise eligible to participate in the Entitlement Offer;
- you are not in the United States and you are not, 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 of or issue of Entitlements, New Shares or Additional Shares under the Entitlement Offer and under any applicable laws and regulations;
- you understand and acknowledge that none of the Entitlements, the New Shares or the Additional Shares have been, or will be, registered under the Securities Act or under any applicable securities laws of any State or other jurisdiction of the United States, or in any other jurisdiction outside Australia. Accordingly, the Entitlements, New Shares and Additional Shares may not be offered, sold, taken up, exercised, resold, pledged, renounced, transferred or delivered, directly or indirectly, into or within the United States or to, or for the account or benefit of, U.S. Persons, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws of any State or other jurisdiction of the United States;
- you and each person on whose account you are acting have not and will not send, directly or indirectly, this Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Entitlement Offer into or within the United States or to a person that is, or is acting for the account or benefit of, a U.S. Person, or to any person in any other jurisdiction outside Australia or New Zealand; and
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is not in the United States and is not a person that is, or is acting for the account or benefit of, a U.S. Person, and you have not sent this booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person, or to any person in any other jurisdiction outside Australia or New Zealand.

5 Announcements & Financial Information

5.1 Equity raising announcement (ASX)

See appendix 1 at the end of this document.

5.2 Use of Funds

Assuming no Options are exercised prior to the Record Date, completion of the Entitlement Offer will result in an increase in cash reserves of up to approximately A\$1,711,775 (before the payment of costs associated with the Entitlement Offer).

The Company intends to apply the funds raised from the Entitlement Offer as set out below.

Activity	Allocated Funds
Inventory to start a rental program using the Company's product	\$1,034,026
Cash costs of the Entitlement Offer	\$25,000
General working capital	\$652,749
Total	\$1,711,775

In the event the Company raises less than A\$1,711,775 under the Entitlement Offer (but more than the Underwritten Amount), the difference will be taken from the general working capital figure. If further reductions are necessary, the funds applied to the other items of expenditure will be proportionately reduced. On completion of the Entitlement Offer, the Board believes the Company will have sufficient working capital to achieve its objectives.

The above table is a statement of current intentions as at the date of this Offer Booklet. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

The primary use of the funds being raised is for the build of inventory to start a rental program using the Company's product. The initial rollout of equipment represents a large capital outlay for many customers and providing rental solutions that incorporate the service and maintenance of both Maritime Survivor Locating Devices (**MSLDs**) and Personal Floatation Devices (**PFDs**) provides a better operational and financial solution for our customers. This also allows the Company to work with customers more intimately to deliver the latest safety solutions during the lifetime of the product, rather than at the time of sale.

In order to set up the initial customers, it is necessary to build stock of the Company's MSLDs and PFDs that will be sold as a complete turnkey solution. The funds from this offer will be used to build the stock and maintain operations until such time that the Company has sufficient funds from the rental operations to maintain day to day operation of the business.

The current and prospective customer base will be split between outright purchase and rental. The initial product rollout will be to a portion of the Company's total customer base, so it only requires the build of stock to supply to those subscribing to this new solution. The Company will continue to grow this solution with its customers, however it is expected initial adoption will lag behind outright purchases.

5.3 Consolidated Balance Sheet and Proforma Balance Sheet

The Balance Sheet as at 31 May 2013 (unaudited) and the Pro Forma Balance Sheet as at 31 May 2013 (unaudited) shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. The Pro Forma Balance Sheet has been prepared on the assumption that all New Shares pursuant to the Entitlement Offer are issued.

The Balance Sheets have been prepared to provide Shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Consolidated Balance Sheet as at 31 May 2013 (unaudited) and Pro Forma Balance Sheet as at 31 May 2013 (unaudited)

	31 May 2013	Consolidated (Unaudited) Pro forma adjustments	Pro forma
	\$		\$
CURRENT ASSETS			
Cash and cash equivalents	568,605	1,711,775	2,280,380
Restricted cash	48,217		48,217
Trade and other receivables	1,084,210		1,084,210
Inventories	622,225		622,225
Other current assets	84,095		84,095
TOTAL CURRENT ASSETS	2,407,352	1,711,775	4,119,127
NON-CURRENT ASSETS			
Plant and equipment	350,710	-	350,710
Intangible assets and Goodwill	3,018,027	-	3,018,027
TOTAL NON-CURRENT ASSETS	3,368,737	-	3,368,737
TOTAL ASSETS	5,776,089	1,711,775	7,487,864
CURRENT LIABILITIES			
Trade and other payables	737,497	25,000	762,497
Current tax liabilities	119,348	-	119,348
Financial liability – Contingent Consideration	114,233	-	114,233
Customer deposits	152,225	-	152,225
Interest bearing loans and borrowings	727,764	-	727,764
Provisions	645,750	-	645,750
TOTAL CURRENT LIABILITIES	2,496,817	25,000	2,521,817
NON-CURRENT LIABILITIES			
Provisions	17,425	-	17,425
Interest bearing loans and borrowings	11,327	-	11,327
TOTAL NON-CURRENT LIABILITIES	28,752	-	28,752
TOTAL LIABILITIES	2,525,569	25,000	2,550,569
NET ASSETS	3,250,520	1,686,775	4,937,296
EQUITY			
Contributed equity	27,675,173	1,686,775	29,361,948
Accumulated Losses	(24,745,635)	-	(24,745,635)
Reserves	320,982	-	320,982
TOTAL EQUITY	3,250,520	1,686,775	4,937,296

5.4 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

6 Important Information

You should read this Information in this Offer Booklet carefully and in its entirety before deciding whether to invest in New Shares or Additional Shares. In particular, you should consider the risk factors outlined in section 6.1 of this Offer Booklet that could affect the operating and financial performance of Mobilarm or the value of an investment in Mobilarm.

You should consult your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser to evaluate whether or not you should participate in the Entitlement Offer.

6.1 Risks

The New Shares offered under this Offer Booklet should be considered speculative because of the nature of the Company's business.

An investment in New Shares and Additional Shares (if applicable) is subject to numerous risks. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some of which are beyond the control of Mobilarm, including possible loss of income and principal invested. Mobilarm does not guarantee any particular rate of return or the performance of Mobilarm, nor does it guarantee the repayment of capital from Mobilarm or any particular tax treatment.

In considering an investment in New Shares and Additional Shares (if applicable), investors should have regard to (among other things) the "Key Risks" listed below and the disclaimers outlined in this Offer Booklet.

(a) Introduction

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

(b) 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.

(c) 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 endeavours 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.

(d) **Expansion & Integration**

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

(e) **Joint Venture Risk**

As announced to the ASX on 15 February 2013, Mobilarm has entered into a joint venture with Blisston Nigeria Limited to deliver fully integrated rental solutions to Nigerian customers.

The Company is subject to the risk that changes in the status of any of the Company's joint venture (including changes caused by financial failure or default by a participant in the joint venture) may adversely affect the operations and performance of the Company.

(f) **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.

(g) **Project Execution Risk**

Amongst other project execution risks, there may be a risk that the product development of its next generation products will not be completed on time, although the Board is not aware of any substantial risk at the date of this document.

(h) **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.

(i) **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.

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

(j) **Risk of international operations**

International sales and operations are subject to a number of risks, including:

- (i) potential difficulties in enforcing agreements (including joint venture agreements) and collecting receivables through foreign local systems;
- (ii) potential difficulties in protecting intellectual property;
- (iii) increases in costs for transportation and shipping; and
- (iv) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

(k) **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.

(l) **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.

(m) **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.

(n) **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.

(o) **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.

(p) **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.

(q) **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.

(r) **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 Additional Shares offered under this document.

The New Shares and Additional 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 Additional Shares.

6.2 Not investment advice

The Information is not a prospectus, AIM admission document or product disclosure statement 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.

The Information does not purport to contain all the information that you may require to evaluate a possible acquisition of securities in Mobilarm and does not take into account the investment objectives, financial situation or needs of you or any particular investor.

Before deciding whether to apply for New Shares or Additional Shares, you should conduct your own independent review, investigation and analysis of the New Shares the subject of the Entitlement Offer. You should obtain any professional advice you require to evaluate the merits and risks of an investment in Mobilarm, before making any investment decision based on your investment objectives and financial circumstances and having regard to the merits or risks involved.

6.3 Future performance and forward looking statement

Neither Mobilarm nor any other person warrants or guarantees the future performance of the New Shares (and Additional Shares) or any return on any investment made pursuant to this Information. Any forward looking statements, opinions and estimates provided in the Information 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.

Any forward looking statements including projections, guidance on future revenues, earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Mobilarm and their officers, employees, agents and advisors, which may cause actual results to differ materially from those expressed or implied in any forward-looking statements. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. You should also have regard to the “Key Risks” section.

6.4 Past performance

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

6.5 Foreign jurisdictions

The information in this Offer Booklet has been prepared to comply with the applicable requirements of the securities laws of Australia or New Zealand.

The information 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 Entitlement Offer, the Entitlements, the New Shares or the Additional Shares, or otherwise permit a public offering of the New Shares or Additional Shares, in any jurisdiction outside of Australia or New Zealand. Return of the personalised Entitlement and Acceptance Form or your BPAY® payment will be taken by Mobilarm to constitute a representation by you that there has been no breach of any laws of a jurisdiction outside Australia or New Zealand. The distribution of this Offer Booklet (including an electronic copy) outside Australia or New Zealand may be restricted by law.

If you come into possession of this Offer Booklet, you should observe such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

This Offer Booklet and any material accompanying it may not be released or distributed, directly or indirectly, into or within the United States or to U.S. Persons. This Offer Booklet and any material accompanying it does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any U.S. Person. None of the New Shares or the Additional Shares have been, or will be, registered under the Securities Act or under any applicable securities laws of any State or other jurisdiction of the United States. The Entitlements, New Shares and Additional Shares may not be offered, sold, taken up, exercised, resold, pledged, renounced, transferred or delivered, directly or indirectly, into or within the United States or to, or for the account or benefit of, U.S. Persons, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws of any State or other jurisdiction of the United States. The New Shares and the Additional Shares to be offered and sold in the Entitlement Offer may only be offered and sold outside the United States to persons that are not U.S. Persons, or acting for the account or benefit of, U.S. Persons, in 'offshore transactions' as defined in and in compliance with Regulation S under the Securities Act.

6.6 Privacy

If you complete an Entitlement and Acceptance Form, you will be providing personal information to Mobilarm (directly or by the Company's 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 and carry out administration.

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 Registry.

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

Collection, maintenance and disclosure of certain personal information is governed by legislation, including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if all information required on the Entitlement and Acceptance Form is not provided, Mobilarm may not be able to accept or process your application.

6.7 Disclaimer of representations

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

Any information or representation that is not in this Information may not be relied on as having been authorised by Mobilarm in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of Mobilarm, or any other person, warrants or guarantees the future performance of Mobilarm or any return on any investment made pursuant to this Information.

7 Glossary

Term	Definition
\$ or A\$	Australian dollars.
Additional Shares	means the Shortfall Shares.
Announcements	Announcements relating to the Entitlement Offer, which were released to ASX by Mobilarm on 6 August 2013 and are included in this Offer Booklet.
Applicant	An Eligible Shareholder who has applied to subscribe for New Shares by submitting an application for New Shares on the conditions set out in this Offer Booklet in the form of an Entitlement and Acceptance Form or such other form as approved by Mobilarm together with Application Monies.
Application Monies	The aggregate amount payable for the New Shares applied for in a duly completed Entitlement and Acceptance Form, through BPAY®.
ASX	ASX Limited ACN 008 624 691 or, where the context permits, the Australian Securities Exchange operated by ASX Limited.
ASX Listing Rules	Official Listing Rules of ASX as amended, modified or replaced from time to time.
ASX Materials	The Cleansing Notice and any announcement or material accompanying it given to ASX by the Company in respect of the Offer.
AWST	Australian Western Standard Time.
Business Day	A day on which trading takes place on the ASX.
Cleansing Notice	A notice to be prepared by the Company in compliance with section 708AA(7) of the Corporations Act and lodged by the Company with ASX in accordance with ASIC Class Order 08/35 and the timetable set out in paragraph 3 of Appendix 7A of the ASX Listing Rules.
Close Date	The closing date set out in section 3.2 or such other date as may be determined by the Directors .
Company or Mobilarm	Mobilarm Limited ABN 67 153 194 551
Contracts	All material agreements of the Company as disclosed to ASX.
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Eligible Shareholder	A Shareholder that is eligible to participate in the Entitlement Offer as set out in section 3.15.
Entitlement	The number of New Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer based on the number of existing Shares held on the Record Date.
Entitlement and Acceptance Form	The personalized acceptance form accompanying this Offer Booklet which Eligible Shareholders may use to apply for New Shares and Additional Shares.
Entitlement Offer or Offer	The pro-rata non-renounceable entitlement offer of New Shares at an issue price of \$0.04 each on the basis of one (1) New Share for every 7 Shares held on the Record Date pursuant to this Offer Booklet.
Event of Insolvency	Means:

	(a) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of a person or any asset of a person; (b) a liquidator or provisional liquidator is appointed in respect of a corporation; (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of: (i) appointing a person referred to in paragraphs (a) or (b); (ii) winding up a corporation; or (iii) proposing or implementing a scheme of arrangement; (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision; (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days; (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable law to be, insolvent or unable to pay its debts; or (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.
Excess Amount	The amount paid by an Eligible Shareholder in excess of the amount necessary to pay in full for their full Entitlement.
Force Majeure	Any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties.
Ineligible Shareholder	A Shareholder who Mobilarm determines is not an Eligible Shareholder.
Information	This Offer Booklet and (including the accompanying Announcements reproduced in it) and the accompanying Entitlement and Acceptance Form and Shortfall Application Form
Insolvency Provision	Any law relating to insolvency, sequestration, liquidation or bankruptcy (including any law relating to the avoidance of conveyances in fraud of creditors or of preferences, and any law under which a liquidator or trustee in bankruptcy may set aside or avoid transactions), and any provision of any agreement, arrangement or scheme, formal or informal, relating to the administration of any of the assets of any person.
Material Adverse Effect	Means:

	(a) a material adverse effect on the outcome of the Offer or on the subsequent market for the Underwritten Securities (including, without limitation, a material adverse effect on a decision of an investor to invest in Underwritten Securities); or (b) a material adverse effect on the condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its subsidiaries taken as a whole.
MRT	Marine Rescue Technologies Limited
MSLDs	Maritime Survivor Locating Devices.
New Shares	New Shares proposed to be issued under the Entitlement Offer.
Offer Booklet	This document is dated 6 August 2013.
Offer Materials	Means: (a) the Offer Booklet and any supplementary Offer Booklet; (b) the ASX Materials; and (c) any other Publication, including amendments or updates to any of the above documents.
Open Date	The opening date set out in section 3.2.
Option	An option to acquire a Share.
PFDs	Personal Floatation Devices.
Prescribed Occurrence	Means: (a) a Relevant Company converting all or any of its shares into a larger or smaller number of shares; (b) a Relevant Company resolving to reduce its share capital in any way; (c) a Relevant Company: (i) entering into a buy-back agreement; or (ii) resolving to approve the terms of a buy-back agreement under Section 257C or 257D of the Corporations Act; (d) a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares or any other securities, or agreeing to make such an issue or grant such an option (other than pursuant to the Offer or on conversion of convertible securities on issue as at the date of the Underwriting Agreement or as previously notified to the Underwriter prior to the date of the Underwriting Agreement); (e) a Relevant Company issuing, or agreeing to issue, convertible notes; (f) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property; (g) a Relevant Company charging, or agreeing to charge, the whole, or a substantial part, of its business or property; (h) a Relevant Company resolving that it be wound up;

	(i) the appointment of a liquidator or provisional liquidator of a Relevant Company; (j) the making of an order by a court for the winding up of a Relevant Company; (k) an administrator of a Relevant Company, being appointed under Section 436A, 436B or 436C of the Corporations Act; (l) a Relevant Company executing a deed of company arrangement; or (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company.
Publication	Any announcements, advertisements, media statements, publicity or roadshow materials published by the Company or with its consent relating to the Offer.
Record Date	The date for determining Entitlements under the Entitlement Offer, set out in section 3.2.
Registry	Computershare Investor Services Pty Limited.
Relevant Company	The Company and its subsidiaries.
Securities Act	<i>United States Securities Act of 1933</i> , as amended.
Share	A fully paid ordinary share in the capital of Mobilarm.
Shareholder	The registered holder of a Share.
Shortfall	Those New Share under the Entitlement Offer not applied for by Shareholders under their Entitlement.
Shortfall Offer	The offer for the Shortfall pursuant to this Offer Booklet as contained in section 3.8.
Shortfall Shares	Shares offered under the Shortfall.
Shortfall Application Form	means the shortfall application form either attached to or accompanying this Offer Booklet.
Timetable	The timetable set out in the Underwriting Agreement or as otherwise agreed between the Company and the Underwriter.
Underwritten Securities	Has the meaning given in section 3.9 of this Offer Booklet.
Underwriter	Truestone Capital Limited (Company Number 6127809) (Incorporated in The United Kingdom)
U.S. Person	As defined in Regulation S under the Securities Act.

Registered Office

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Stock Exchange Listing

Australian Securities Exchange (ASX)
Code: MBO

Share Registry (for ASX)

Security Transfer Registrars
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Telephone: +61 8 9315 2333
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www.securitytransfer.com.au

Underwriter

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