

EnterMo Limited

ABN 28 128 857 143

Offer Information Statement

Non-Renounceable Rights Issue

Non-Renounceable Pro-Rata Offer to Shareholders of one Share for every five Shares held at the Record Date at a subscription price of \$0.50 per Share.

The Offer is not underwritten.

Investors should obtain professional investment advice before accepting the offer contained in this Offer Information Statement.

Important Notice

This Offer Information Statement is dated 23 December 2010. A copy of this Offer Information Statement was lodged with the Australian Securities and Investments Commission ("ASIC") on that date. ASIC takes no responsibility for the content of this Offer Information Statement.

This Offer Information Statement is not a prospectus and has a lower level of disclosure requirements than a prospectus.

The expiry date of this Offer Information Statement is thirteen months after the date of this Offer Information Statement. No securities will be issued on the basis of this Offer Information Statement later than the expiry date.

This Offer Information Statement does not constitute an offer in any place where, or to any person whom, it would be unlawful to make such an offer. This distribution of this Offer Information Statement in jurisdictions outside the Commonwealth of Australia may be restricted by law and persons who come into its possession should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable security law.

This Offer Information Statement provides information for investors to decide if they wish to invest in EnterMo Limited ("EnterMo" or "the Company") and should be read in its entirety. In particular, the risk factors that could affect an investment in Shares of EnterMo should be examined. If, after reading this Offer Information Statement, you have any questions about the desirability of, or procedure for, investing in EnterMo, please contact your stockbroker, accountant or independent financial adviser.

Defined terms and abbreviations used in this Offer Information Statement are explained in the Glossary set out in section 11. All financial amounts shown in this Offer Information Statement are expressed in Australian dollars unless otherwise stated.

A copy of this Offer Information Statement will be displayed in electronic format at www.entermo.com. However, the copy of the Offer Information Statement on the website will not include an Entitlement and Acceptance Form. The Offer constituted by this Offer Information Statement will not be made in electronic form and will only be made in the paper copy of this Offer Information Statement which will be dispatched to Shareholders and will contain a personalized Entitlement and Acceptance Form. Shares can not be applied for electronically or using an electronic copy of the Offer Information Statement.

The Corporations Act prohibits the Company from processing Acceptances in the seven day period after the date of lodgement of the Offer Information Statement. This period is an exposure period to enable the Offer Information Statement to be examined by ASIC prior to the raising of funds. Acceptances received during the exposure period will not be processed until after the expiry of that period. No preference will be conferred on Acceptances received in the exposure period. The exposure period may be extended by ASIC, in which case Acceptances received during the extended exposure period will not be processed until after the expiry of that period. Acceptances lodged before the end of the exposure period will be treated as if they were received at the same time at the end of the exposure period.

1. The Body Offering the Securities

EnterMo Limited
ACN 128 857 143
ABN 28 128 857 143

Tel: (03) 4301 7600
Fax: (03) 4301 7699

Registered Office
702 Dana Street
Ballarat, Victoria, 3350

Website:
www.entermo.com

2. Nature of the Securities Offered

The Shares offered are ordinary shares in the capital of the Company deemed fully paid, which will rank equally in all respects with the Company's existing ordinary shares.

Full details of the rights attaching to the Shares are set out in the Company's Constitution which has been lodged with the Australian Securities and Investment Commission ("ASIC"), a copy of which is available upon request to the Company.

Shareholders may apply for additional Shares which the directors may allot at their discretion up to the number of additional Shares for which the Shareholder applies if there is a Shortfall in Acceptances received from Shareholders. If additional Shares are not allotted, or if fewer than the number of additional Shares applied for are allotted, any additional funds will be returned to the applicant without interest.

The Directors may, at their discretion place any or all of the Shortfall not taken up by Shareholders (up to the maximum number of Shares offered under this Offer Information Statement).

3. Details of the Offer

A non-renounceable offer to EnterMo Limited shareholders of one Share for every five Shares held at the Record Date, at an issue price of \$0.50 per Share.

3.1 Key Details

Number of Shares currently on issue	11,556,089
Number of new Shares offered	2,311,313
Total Shares on issue post Offer*	13,867,302
Offer price per share	\$0.50
Gross proceeds from the Offer (before costs) *	\$1,115,607

Record Date	23 December 2010
Closing Date **	15 February 2011

* Assuming that the Offer is fully subscribed.

** The Closing Date is indicative only. The Directors reserve the right to extend the closing time and date without prior notice. The Company also reserves the right not proceed with the Offer at any time before the allotment of the Shares.

3.2 Minimum Subscription

As the Offer is a pro-rata offer, there is no minimum subscription.

4. Company's business

EnterMo is a technology innovation and development company delivering cost effective wireless mobile solutions targeting industrial and field workforce end-users. EnterMo is the owner and developer of the EnterMoCase, a ruggedised smartphone enclosure for field use. When fitted with a BlackBerry® smartphone the EnterMoCase provides fieldworkers with the benefits of a BlackBerry smartphone combined with additional functionality such as data capture for signature and digital barcode reading, in one ruggedised solution.

Since its incorporation EnterMo has spent over \$1.75 million directly towards research and development of its products. In total the Company has to date raised and applied over \$5 million in expenditure pursuing its goal of developing and marketing the EnterMoCase.

EnterMo has designed and developed both the hardware and the software comprising the EnterMoCase to be integrated with the BlackBerry smartphone platform and has also provided for the incorporation of various modular data capture methodologies into the device. The EnterMoCase is the only known all-in-one BlackBerry smartphone based solution which enables organisations to capitalise on the benefits of that platform in tough industrial, transport and field work environments. The EnterMoCase provides a means through which BlackBerry smartphones can penetrate this marketplace. EnterMo is a member of the BlackBerry Alliance Program, operated by Research in Motion Limited (the owner and developer of the BlackBerry smartphone) ("RIM"). The BlackBerry Alliance Program provides support to EnterMo in the form of access to information and data necessary for product development.

The technology and product developed by the Company is intended to be licensed to strategic regional partners globally with the capabilities to market and represent the brand, manufacture and support the product, as well as establish and maintain sales channels and key relationships with telecommunications companies, carriers, systems integrators and customers. Presently, licenses have been granted to partners in Canada, to Tech-Garde Mobile Solutions Limited, and the USA, to Bell Techlogix Mobility Solutions Inc, and discussions are in progress for licenses for other regions.

Marketing, sales and promotional activities are also undertaken by the Company to support both the Company's direct initiatives in the market and also those of the Company's existing license partners within their regions.

After producing and independently testing a number of EnterMoCase samples in August 2008, the Company completed its initial manufacturing run of approximately 350 units on schedule in September 2008 for trial placements and sale. The majority of these units were either purchased by customers or placed with RIM technical account managers and systems integrators. This resulted in a number of major organisations testing trial units and expressing interest to conduct field trials on the EnterMoCase.

A further 550 units were produced in November 2009 to support first mover sales and trials in the North American market. Units have been also been placed with key systems integrators for development of applications for the EnterMoCase targeted at a variety of industries including logistics, distribution, postal services and asset/inventory management.

In October 2010, the Company received and accepted an application for 2,000,000 shares at \$0.50 per share, being a total subscription sum of \$1,000,000, from Marg K Investments Pty Ltd. Funds raised through this placement have, or will, be used to place further orders for inventory with the Company's

Chinese manufacturing partner and will otherwise be applied as working capital. In connection with this placement, Ms Marg Kurzok has been appointed to the Company's Board.

Further information regarding the Company's recent business activities including information regarding discussions with current and future licence partners, is described in the Company's 2010 Annual Report. All Shareholders would have recently received a copy of the 2010 Annual Report. A further copy of the 2010 Annual Report is available free-of-charge upon request to the Company.

5. Use of the funds raised

It is anticipated that funds raised through the Offer will be applied as set out in the table below:

Objectives	Full Acceptance (\$1,155,607)	Assuming Acceptances of \$500,000*
New product development	\$216,211	\$100,000
Administration	\$60,000	\$60,000
North American Operations	\$480,000	\$120,000
Inventory	\$180,000	\$120,000
Costs of the Offer	\$69,396	\$30,000
Working Capital	\$150,000	\$70,000
TOTAL	\$1,155,607	\$500,000

* If Acceptances of less than \$500,000 are received, the Company will apply the first \$70,000 of Acceptances to working capital with the balance applied at the discretion of the Board to the objectives set out above.

6. Nature of risks involved in investing in EnterMo's securities (Shares)

There are a number of risk factors that could potentially impact upon the future operating and financial performance of the Company and the achievement of the objectives contained in this Offer Information Statement. These risks are both specific to the Company and relate to the general technical, business and economic climate in which the Company operates. Some risks are at least partially within the control of the Company, while others are clearly outside the control of the Company.

Intending investors should read the whole of this Offer Information Statement in order to fully appreciate the risks involved in investing in the Company and the manner in which the Company intends to operate before any decision is made to subscribe for Shares.

Neither the Company nor its Directors nor any of its professional advisers give any form of guarantee on future dividends or return on capital.

6.1 Specific Risks

Technology Risks: The EnterMoCase is currently the only known ruggedised mobile solution that supports the BlackBerry Curve 83XX Series smartphones. However, there is no guarantee other BlackBerry smartphone solutions will not be developed over time. RIM recently released the 97XX and 85XX series BlackBerry smartphones and EnterMo has developed prototypes of its smartcase to accommodate these new models. Although the Company expects that the EnterMoCase will operate effectively with these new model smartphones the Company cannot guarantee that technical issues associated with integrating the new model and future handsets will not arise. The Company can also not be certain that it will have the capacity to maintain its product development program to keep up with new models of smartphones. Such circumstances would have a detrimental impact on the Company's future capacity to earn royalties or other revenue from the sale of its products.

Competition: The Company could be materially adversely affected by increased competition in the ruggedised handheld device market in the various regions in which it operates. The Company competes for market share in a sector dominated by a few large companies who could be expected to be better equipped and have access to greater financial resources than EnterMo. Although the Company competes with a product offering an alternative platform, competition could come in the form of extensive marketing initiatives and incentives to customers. Alternatively, existing or new competitors developing new products adopting the BlackBerry smartphone platform for direct competition could impact the market. Competitor actions are difficult to predict and could have a material adverse impact on the performance of the Company.

RIM: Although the EnterMoCase has potential application to a variety of PDA's and handsets, EnterMo's intellectual property is focused on the BlackBerry smartphone. EnterMo currently is a member of the BlackBerry Alliance Program and has established a good working relationship with RIM which is fundamental to EnterMo's business and commercial objectives. In the event that RIM ceased co-operating with EnterMo this would have a serious detrimental impact upon EnterMo's current plans and strategies. The ongoing support and co-operation with RIM is of material value to EnterMo, accordingly a deterioration in this relationship would impact detrimentally upon business prospects.

North American Licence Partners: The Company has entered a License Agreement with Bell Techlogix whereby Bell Techlogix holds the exclusive rights to distribute the EnterMoCase in the US market. The US market is currently regarded as the primary market for sales of the EnterMoCase and accordingly the successful penetration of the product into the US market is dependent upon the ability of Bell Techlogix to sell, distribute, service and support the product in that region.

The Company has also entered a License Agreement with Tec-Garde Mobile Solutions Ltd whereby Tec-Garde holds the exclusive rights to distribute the EnterMoCase in the Canadian market. The Canadian market is currently regarded as an important market for sales of the EnterMoCase and accordingly the successful penetration of the product into the Canadian market is dependent upon the ability of Tec-Garde to sell, distribute, service and support the product in that region.

As noted in the Company's 2010 Annual Report, the Company has recently entered into discussions with its North American license partners on the basis that the license agreements be reviewed. There can be no certainty as to the outcome of these discussions. Ultimately, if the Company is unable to reach an agreement for a revision of the current licence and distribution arrangements, it may therefore be in dispute regarding the future operation and direction of its current licence arrangements including the recovery of royalties both past and future.

Licence Agreement Minimum Royalties: The Company's licence agreements with Bell Techlogix for the USA and Tec-Garde for Canada, establish terms for payment of minimum royalties. EnterMo agreed with both its North American licence partners to suspend payment of minimum royalties pending completion of a manufacturing run of approximately 667 new model products. This gesture of

suspending minimum royalty payments was made by the Company in recognition of the fact that North American marketing plans are now focused on the new model product and such plans cannot be implemented until the current manufacturing run is completed. As at the date of lodgment of this Offer Information Statement, minimum royalty payments for the North American had not recommenced. The Company has not included future minimum royalty payments in its budgets in recognition of the fact that receipt of such funds is subject to completion and delivery of the new product units to North America. Upon reinstatement of minimum royalty payments the Company intends to review its expenditure plans with a view to best utilising those additional funds.

Operating Losses: The Company is in start up phase and has incurred losses since it commenced operations. Those losses include losses of approximately \$1.629m for the year ended 30 June 2008, \$2.4m for the year ended 30 June 2009 and, as noted in the 2010 Annual Report, \$978,987 for the year ended 30 June 2010. As noted in the Annual Report (and the Independent Auditor's Report included therein) ultimately, if the Company is not able to move from losses to profits then it would require further capital investment to survive. There is no guarantee that the Company be able to raise the required funds.

Reliance on Key Personnel: In formulating and implementing the commercialisation of the EnterMoCase, the Company relies to a significant extent upon the availability and expertise of key personnel, including Mr David Cherry, Executive Director and its Chief Technical Officer, Mr Nicholas Ang. Mr Cherry is the founder of EnterMo Limited and the driving force behind its business objectives. He possesses key relationships within the telecommunications industry which the Company is currently dependant upon. Mr Ang is a software developer and is largely responsible for the development of the interface processes between the BlackBerry smartphone and the hardware in the EnterMoCase. The loss of one or both of these key personnel may adversely affect the Company's prospects of pursuing its proposed activities within the timeframes and within the cost structure as currently envisaged.

Research and Development Tax Concession: The Company's anticipates receipt of approximately \$145,000 as a Research and Development Tax Concession for the 2009/2010 financial year refunded pursuant to Federal Government legislation. The Company has previously successfully applied for rebates under this scheme. Whilst the Company has no reason to doubt that the claim will be approved such claims are subject to regular audit and other queries which may delay or alter the final quantum of the claims allowed. The prospect of such a delay or alternation occurring is considered as low but is nonetheless considered as a risk in terms of available funds.

Intellectual Property: The Company has applied for limited patent protection over its intellectual property in domestic and international jurisdictions, but such acceptances remain pending and until granted the Company cannot be certain of adequate protection.

Manufacturing: The Company has approved manufacturers in Australia and mainland China to undertake manufacturing activities both directly for the Company and for its North American licence partners. A failure of these manufacturers to meet the delivery and performance requirements could have a detrimental effect on product supply to the market and hence the royalties payable to the Company under the North American license arrangements.

Currency Exchange: At this stage the only license agreements are those with licence partners in the United States and Canada, both of which provide for payments to be made to the Company in United States dollars. Accordingly, changes in exchange rates between the United States dollar and the Australian dollar would be expected to have a direct effect on the performance of the company.

Operational Considerations: The Company's operational targets are related to successful completion of the commercialisation of the EnterMoCase according to time, budget and outcome objectives, and are dependent on the effective support of the Company's personnel, systems, procedures and controls. Any failure of these may result in delays in the achievement of operational targets, with a consequent material adverse impact on the business, operations and financial

prospects of the Company. Unscheduled interruptions to the Company's operations due to manufacturing or other supply constraints could have a detrimental impact on the financial performance of those operations.

6.2 General Risks

In addition to the specific risks set out above, the future performance of the company and the Shares offered under this Offer Information Statement may be influenced by the following general risks.

General Economic Conditions: Changes in the general economic climate in which the Company operates may adversely affect the development activities of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, exchange rates, inflation and other economic factors.

Unforeseen Expenses: While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the anticipated budgets of the Company may be adversely affected.

Global Markets: The Company is cognisant of the recent turmoil in global financial markets which may have adversely impacted upon its customers and potential customers. The state of the current financial markets may impact upon the ability of the Company to raise additional funds if and when required to achieve its corporate and business goals.

Future Earnings: The Company's future earnings and the value of the Company's assets may be affected by the general economic climate and other factors beyond the control of the Company including force majeure events (such as fire, earthquake, storms, natural disasters, wars, acts of terrorism, strikes or loss of supply of electricity). As a result, no guarantee can be given in respect of the future earnings of the Company or the earning and capital appreciation of the Company's investments.

Market for Shares: The Company is not a listed entity and therefore its Shares are not able to be publicly traded. While Shareholders may transfer Shares to third-parties pursuant to the terms of the Company's Constitution, it is unlikely that an active and liquid market will develop for the Shares. Accordingly, an investment in Shares under this Offer Information Statement should be viewed as an illiquid investment.

The Company is a Recently Formed Entity: EnterMo is a recently formed company with a limited operating history upon which prospective investors may base an evaluation of its likely performance. The Company has so far achieved only minor cashflows from sales of the EnterMoCase (approximately 900 units) and its ultimate success will depend on its ability to successfully commercialise the EnterMoCase and to raise capital for expansion of operations. The Company has not earned profits to date and there is no assurance that it will do so in the future. Further, significant capital investment may be required to achieve optimal commercial returns and there is no guarantee that the Company would be able to raise the required funds.

Government Policy: Changes in Government financial regulations and policies in Australia or North America or elsewhere may affect the ability of the Company to carry on its proposed activities, restrict the Company in achieving its objectives or may result in increased compliance costs, government royalties or charges or complexities in managing its business, and accordingly adversely affect the performance of the Company.

Taxation: Changes in Government fiscal policies in Australia and North America including the imposition of new or additional taxes, charges or duties and the redefining of current tax terminology, may adversely affect the financial performance of the Company.

7. Details of all amounts payable in respect of the securities

The total amount payable to acquire each Share is \$0.50.

Accepting Shareholders are not required to pay any fee, commission, charge, or other amount in order to acquire Shares.

8. Audited Financial Report to 30 June 2010

A copy of EnterMo's audited Financial Report for the 12 months to 30 June 2010 is attached as Appendix A.

9. Acceptances

9.1 How to Accept the Offer

To accept Shares shareholders must complete the Entitlement and Acceptance Form attached to this Offer Information Statement and return it to address set out below with a cheque payable to "EnterMo Ltd" before 5:00pm, Melbourne time on the Closing Date.

Acceptances under the Offer may be made, and will only be accepted on the relevant Entitlement and Acceptance Form accompanying this Offer Information Statement.

The Company will not be making Offers electronically, therefore the Offer Information Statement available at www.entermo.com for review will not include an Entitlement and Acceptance Form.

Acceptances must be accompanied by a bank cheque, personal cheque or company cheque (crossed "not negotiable"), or a bank draft payable in Australian dollars, drawn on an Australian branch of an Australian registered bank for an amount equal to the Subscription Sum (being the number of Shares applied for multiplied by \$0.50 per Share). Cheques or bank drafts should be made payable to "EnterMo Ltd".

The Offer is not transferable, and may only be accepted by Shareholders on the Company's share register as at the Record Date. The Directors reserve the right to reject any application where the applicant's name on the Entitlement and Acceptance Form has been altered.

Accepting Shareholders should return their completed Entitlement and Acceptance Forms to:

If delivered:

Peregrine Corporate Limited
Suite 2, 1233 High Street
Arnadale, Victoria, 3143

If by mail:

EnterMo Limited Rights Issue
c/- Suite 2, 1233 High Street
Arnadale, Victoria, 3143

by no later than 5:00pm Melbourne time on the Closing Date. Acceptances returned by mail must be received by last mail on the Closing Date.

Regardless of how they are lodged, all Acceptances must be received no later than 5:00pm Melbourne time on the Closing Date, unless the timing is varied. Detailed instructions on how to complete Entitlement and Acceptance Forms are set out in those forms. Accepting Shareholders are not required to sign the Entitlement and Acceptance Form. EnterMo reserves the right to reject any Acceptance (including where an Entitlement and Acceptance Form has not been correctly completed) or allocate any person fewer Shares than that person applied for, or vary the dates and times of the Offer without prior notice and independently of other parts of the Offer.

9.2 When to Apply

The Offer will remain open until 5:00pm Melbourne time on the Closing Date, subject to the right of the Directors to extend the closing time and date without prior notice.

9.3 Allotment & Issue of Shares

The allotment and issue of Shares to accepting Shareholders will occur as soon as practicable after the Closing Date (but no earlier than the expiration of the exposure period referred to on page 1 of this Offer Information Statement), after which statements of shareholding will be dispatched. Accepting Shareholders are encouraged to submit their Entitlement and Acceptance Forms as early as possible.

It is the responsibility of accepting Shareholders to determine their allocation prior to dealing in Shares. Accepting Shareholders who sell or otherwise deal with Shares before they receive their Shareholder statements will do so at their own risk.

All application monies received with Acceptances will be held in trust by EnterMo as provided for in the Corporations Act, until the allocations are determined or application monies are returned as provided for above. All interest on application monies held in trust shall accrue to the Company. If an application is not accepted, or is accepted in part only, or if application monies are to be returned for any reason, the relevant part of the application monies will be refunded without interest.

9.4 Accepting Shareholders Outside Australia

This Offer Information Statement does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, under the laws of the jurisdiction in which that person resides it not be lawful to issue the Offer Information Statement. It is the responsibility of any applicant outside Australia to ensure compliance with all laws of any country relevant to their Acceptance.

No action has been taken to register or qualify the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia. The Shares have not been, and will not be, registered under the United States Securities Act of 1933 and, subject to certain exceptions, may not be offered or sold within the United States of America.

9.5 Dividend Policy

At the time of issue of this Offer Information Statement no dividend has been forecast by the Board and none is anticipated for the foreseeable future.

10. Enquiries regarding the Offer

This Offer Information Statement provides information in respect of a potential investment in EnterMo and should be read in its entirety. If you have any questions regarding the content of this Offer Information Statement or how to complete the Entitlement and Acceptance Form, please contact your stockbroker, accountant, lawyer or independent financial advisor.

Each of the Directors of the Company have consented to the lodgement of this Offer Information Statement with ASIC. The Company's auditor has consented to inclusion of its Independent Audit Report in respect of the Financial Statements set out in Appendix A and all references to that report in this Offer Information Statement.

11. Glossary

Acceptance(s)	means a valid acceptance of Shares pursuant to this Offer Information Statement.
Bell Techlogix	means Bell Techlogix Mobility Solutions Inc, a Delaware Corporation.
Closing Date	means the closing date as set out in the table in section 3.1 of this Offer Information Statement.
Corporations Act	means the Corporations Act 2001 (Cth).

Entitlement and Acceptance Form	means the Entitlement and Acceptance Form attached to this Offer Information Statement.
Offer	means the offer of Shares made pursuant to this Offer Information Statement.
PDA	means a Personal Digital Assistant – a mobile electronic device incorporating a range of features such as an organizer, email, phone, web browser, media player and other Acceptances.
Record Date	means the record date as set out in the table in section 3.1 of this Offer Information Statement.
RIM	means Research in Motion Limited, the owner and developer of the BlackBerry smartphone.
Share(s)	means a fully paid ordinary share in the issued capital of the Company.
Shareholder(s)	means a shareholder in the Company.
Shortfall	means the difference between, on the one hand, the number of Shares offered under this Offer Information Statement (as set out in the table in section 3.1) and, on the other hand, the number of Shares in respect of which Acceptances are received.
Subscription Sum	means the number of Shares subscribed for multiplied by the application price of \$0.50.
Tech-Garde	means Tec-Garde Mobile Solutions Ltd, an Ontario Corporation.

APPENDIX A

**AUDITED FINANCIAL REPORT OF ENTERMO LIMITED
FOR THE 12 MONTHS TO 30 JUNE 2010**

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Revenue	2	757,533	592,240
Cost of Goods Sold		(73,617)	(184,460)
Gross Profit		683,916	407,780
<i>Expenses:</i>			
Administration expenses	3	(295,338)	(566,013)
Advertising & Promotion expenses		(5,465)	(77,167)
Depreciation expenses		(58,488)	(51,674)
Employment expenses	3	(746,994)	(998,327)
Operating expenses		(68,121)	(228,680)
Research & Development expenses	3	(79,639)	(595,733)
Travel Expenses		(339,323)	(199,781)
Other expenses		(69,535)	(89,412)
Loss before income tax		(978,987)	(2,399,007)
Income tax benefit	4	-	-
Loss for the year		(978,987)	(2,399,007)
Other Comprehensive Income			
Loss on translation of foreign operation		(101)	-
Total Comprehensive Income for the Year		(979,088)	(2,399,007)
Basic (loss) per share (cents per share)	5	(1.66)	(2.00)
Diluted (loss) per share (cents per share)	5	(1.66)	(2.00)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Note	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents	8	165,572	111,518
Trade and other receivables	9	264,045	411,979
Other	11	96,048	18,228
Total Current Assets		525,665	574,942
Non-Current Assets			
Plant and equipment	13	140,946	200,805
Total Non-Current Assets		140,946	200,805
TOTAL ASSETS		666,611	775,747
LIABILITIES			
Current Liabilities			
Trade and other payables	14	398,173	465,360
Other financial liabilities	15	101,040	100,561
Provisions	16	64,163	39,180
Total Current Liabilities		563,376	605,101
Non-Current Liabilities			
Provisions	16	10,693	4,658
Total Non-Current Liabilities		10,693	4,658
TOTAL LIABILITIES		574,069	609,759
NET ASSETS		92,542	165,988
EQUITY			
Issued capital	17	5,096,567	4,190,925
Reserves		(101)	-
Accumulated losses		(5,003,924)	(4,024,937)
Total Equity		92,542	165,988

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2010

Balance as at 1 July 2008	3,208,363	-	(1,625,930)	1,582,433
Loss for the year	-	-	(2,399,007)	(2,399,007)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of Shares	982,562	-	-	982,562
Balance at 30 June 2009	4,190,925	-	(4,024,937)	165,988
Other Comprehensive Income	-	(101)	-	(101)
Loss for the year	-	-	(978,987)	(978,987)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of Shares	934,682	-	-	934,682
Transaction costs on share issues	(29,040)	-	-	(29,040)
Balance at 30 June 2010	5,096,567	(101)	(5,003,924)	92,542

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
<u>Cash Flows From Operating Activities</u>			
Receipts from customers		581,904	76,908
Payments to suppliers and employees		(1,234,391)	(2,327,652)
Interest received		5,776	23,701
Interest and other costs of finance paid		363	(312)
Grant Income		144,888	108,315
Net Cash Flows Used In Operating Activities	20	(501,460)	(2,119,040)
<u>Cash Flows Related To Investing Activities</u>			
Proceeds from sales of plant and equipment		5,864	9,042
Payment for purchases of plant and equipment		(10,749)	(212,908)
Loans from other entities		100,000	25,000
Loans from director related entities		-	75,000
Loans repaid by other entities		(100,561)	-
Net Cash Flows Used In Investing Activities		(5,446)	(103,866)
<u>Cash Flows Related To Financing Activities</u>			
Proceeds from issues of securities		590,000	777,239
Capital raising costs		(29,040)	-
Net Cash Flows From Financing Activities		560,960	777,239
Net Increase/(Decrease) In Cash And Cash Equivalents		54,054	(1,445,667)
Cash and cash equivalents at the beginning of the period		111,518	1,557,185
Cash And Cash Equivalents At The End Of The Year	8	165,572	111,518

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

Statement of Significant Accounting Policies

These financial statements include the consolidated financial statements and notes of EnterMo Ltd and its controlled entities ("Economic Entity"). The separate financial statements of the parent entity, EnterMo Limited, have not been presented within this financial report as permitted by amendments made to the Corporations Act 2001 effective as at 28 June 2010.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of this financial report are presented below. The accounting policies have been consistently applied unless otherwise stated.

The financial statement has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets and financial liabilities.

Going concern

The financial statements of the company have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

EnterMo has incurred a net loss of \$978,987 for the year ended 30 June 2010 (2009: \$2,399,007) and net operating cash outflows of \$501,460 (2009: \$2,119,040). At 30 June 2010 the company had net assets of \$92,542 (2009: \$165,988) with a cash balance of \$165,572 (2009: \$111,518). The results for the year were principally due to the company still being in the early stages of sales of its main product. The Directors are of the opinion that the going concern assumption is appropriate for the following reasons:

- 1) Since the year end the company has entered into a subscription agreement with a significant investor, providing an equity investment of \$1 million to fund working capital and operational cashflow requirements. To date, the investor has provided \$750,000 of this funding, with the balance to soon follow.
- 2) The Board has also resolved to raise \$1.1 million through a non-renounceable rights issue to existing shareholders and the Board believe that, given the growth potential of the business, the rights issue will be well subscribed. The rights issue will be underwritten by a significant investor and Peregrine Corporate Limited for up to \$500,000.
- 3) EnterMo has a past history of successful capital raisings.

The company continues to pursue new and existing sales opportunities with for the EnterMo case. Based on the customer pipeline, sales are expected to improve over the coming year, and the company is forecast to achieve positive operating cash flows by November 2011.

The directors have assessed the cash position of the company, along with the investment plans outlined above and the expected operating cash flows for the next 12 months. Based on their assessments the directors are satisfied there are sufficient resources available to the company to meet its financial obligations when they become due 12 months from the date the Directors' Declaration is signed.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that may arise should the company be unable to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

Accounting Policies

a) Principles of Consolidation

A controlled entity is any entity EnterMo Limited has the power to control the financial and operating policies so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 12 to the financial statements.

All inter-company balances and transactions between entities in the Economic Entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the company.

Where controlled entities have entered or left the Economic Entity during the period, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

b) Business Combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange. Where equity instruments are issued in an acquisition they are valued according to fair value. Fair value is determined with reference to arm's length transactions, similar instruments and option pricing models. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Economic Entity's share of the identifiable net assets acquired is required as goodwill. If the cost of acquisition is less than the Economic Entity's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income, but only after a reassessment of the identification and measurement of the net assets acquired.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

d) Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labours and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

f) Plant and Equipment

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Economic Entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Plant & Equipment: 15%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

g) Financial Instruments - Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

h) Intangibles - Research and Development

Research and expenditure is recognised as an expense when incurred. Costs incurred on development projects (relating to design and testing of new or improved technology) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technical feasibility and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable cost, including costs of materials, services, direct labour and an appropriated proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life.

i) Impairment of Assets

At each reporting date, the Economic Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Economic Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

j) Trade & Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Economic Entity.

Payables to related parties are carried at the principle. Interest, when charged by the lender is recognised as an expense on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

k) Provisions

Provisions are recognised when the Economic Entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

l) Issued Capital

Ordinary issued capital is recognised as the fair value of the consideration received by the company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

m) Share-based Payments

Equity settled payments are measured at fair value at the date of grant. Fair value for shares and listed options is measured using market value. Fair value for unlisted options is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability or exercise restrictions.

The fair value determined at the grant date of the equity-settled share-based payment is expensed on a straight-line basis over the vesting period, based on the Economic Entity's estimate of equity that will eventually vest.

n) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

o) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised as interest accrues using the effective interest rate method taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

p) Government Grants and R&D Tax Concession Refund Revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

q) Income Tax

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable to taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

are available. No deferred income tax will be recognised from initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liabilities.

On 1 January 2008, the Australian Entities formed an income tax consolidated group under tax consolidation legislation.

r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Taxation Authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial positions are shown inclusive of GST.

Cash flows are presented in the Statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

s) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Parent Entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the Economic Entity's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rate prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- Retained earnings are translated at the exchange rates prevailing at the date of transaction.

Exchange differences arising on translations of foreign operations are transferred directly to the Economic Entity's foreign currency translation reserve in the statement of comprehensive income. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

- t) Employee Benefits**
Provision is made for the Economic Entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.
- u) Borrowing Costs**
Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.
- v) Comparative Figures**
When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.
- w) Earnings per Share**
Basic earnings per share is determined by dividing the result from ordinary activities after related income tax expense by the weighted average number of ordinary shares outstanding during the period. Diluted loss per share is equivalent to basic earnings per share as the potentially dilutive securities are excluded from the computation of diluted loss per share because the effect is anti-dilutive.
- x) Critical Accounting Estimates and Judgements**
The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Economic Entity.

Based on the Economic Entity's historical loss position, the tax losses have not been recognised in the Economic Entity's Statement of Financial Position. Note 4 provides further detail on how these losses may be recouped.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

y) Amendments to Australian Accounting Standards

The following Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and therefore have not been adopted by the Company for the annual reporting period ended 30 June 2010.

AASB 9	Financial Instruments	The revised standard addresses the classification and measurement of financial assets. The most significant changes introduced through AASB 9 include: two categories for financial assets being amortised cost or fair value; strict requirements to determine which financial assets can be classified as amortised cost or fair value; and the removal of the requirement to separate embedded derivatives in financial assets.	1 January 2013	The impact of the standard has yet to be fully assessed but it is expected to impact future transactions.	1 July 2013
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting.	1 January 2010	Minimal	1 July 2010

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

AASB 2009-8	Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions (AASB 2)	Clarifies the scope and accounting for group cash-settled share-based payment transactions in the individual financial statements of an entity receiving the goods/services when that entity has no obligation to settle the share-based payment transaction. Supersedes Interpretation 8 Scope of AASB 2 and Interpretation 11 AASB 2 – Group and Treasury Share Transactions	1 January 2010	There will be no impact as the entity as there are no share-based payment transactions where the entity receives goods/services with no obligation to settle the share-based payment transaction.	1 July 2010
AASB 2009-9	Amendments to Australian Accounting Standards – Additional Exemptions for First-time adopters (AASB 1)	These amendments specify requirements for entities using full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome.	1 January 2010	No impact on the Entity	1 July 2010

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

AASB 2009-10	Amendments to Australian Accounting Standards – Additional Classification of Rights Issue (AASB 132)	These amendments clarify that rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments.	1 February 2010	No impact on the Entity is expected	1 July 2010
AASB 2009-12	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	<p>This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations.</p> <p>The amendment to AASB 124 clarifies and simplifies the definition of a related party as well as providing some relief for government-related entities (as defined in the amended standard) to disclose details of all transactions with other government-related entities (as well as with the government itself)</p>	1 January 2011	Minimal	1 July 2011

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

<p>Interpretation 19 This has been issued by the IASB and IFRIC but have not yet been issued by the AASB.</p>	<p>Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments</p>	<p>This Interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are "consideration paid" in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability.</p> <p>The Interpretation states that equity instruments issued in a debt for equity swap should be measured at the fair value of the equity instruments issued, if this can be determined reliably. If the fair value of the equity instruments issued is not reliably determinable, the equity instruments should be measured by reference to the fair value of the financial liability extinguished as of the date of extinguishment.</p>	<p>1 July 2010</p>	<p>No transactions identified to date as being affected however it could affect future transactions.</p>	<p>1 July 2010</p>
<p>AASB 2009-13</p>	<p>Amendments to Australian Accounting Standards arising from Interpretation 19 (AASB 1)</p>	<p>This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19.</p>	<p>1 July 2010</p>	<p>No impact on the Entity</p>	<p>1 July 2010</p>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

AASB 2009-14	Amendments to Australian Interpretation – Prepayments of a minimum Funding requirement (AASB Interpretation 14)	This standard makes amendments to Interpretation 14 to address the unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.	1 January 2011	No Impact on the Entity	1 July 2011

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

	2010	2009
	\$	\$
Sales	373,771	78,533
R&D Tax Concession Refund	233,302	365,329
Grant Income	144,888	108,315
Interest Revenue	5,776	23,701
Foreign exchange gain/(loss)	(1,628)	13,906
Other Income	1,424	2,456
	757,533	592,240
<i>Administration expenses</i>		
Accounting	34,333	28,045
Consulting Fees	162,621	471,071
Legal Fees	92,638	29,375
Other	5,746	37,522
	295,338	566,013
<i>Employment expenses</i>		
Salary Expense	392,820	784,202
Superannuation	46,176	66,742
Director Fees	262,910	94,059
Other	45,088	53,324
	746,994	998,327
<i>Research & Development expenses</i>		
Plastic Case Development	39,562	322,270
PCB Board Development	3,275	226,147
Software Development	-	864
Other	-	22,936
Patent expenses	36,802	23,516
	79,639	595,733
<i>Loss on Sale of Asset expense</i>		
Loss on Sale of Assets	6,256	-
	6,256	595,733

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

	2010	2009
	\$	\$
a) The components of tax expense comprise:		
- Current income tax benefit	-	-
- Deferred tax due to temporary differences	-	-
- Deferred tax assets not recognised	-	-
b) The prima facie tax on losses from ordinary activities before income tax is reconciled to the income tax as follows:		
Loss before income tax	(978,987)	(2,399,007)
Prima facie tax payable on loss from ordinary activities before income tax at 30%		
- Economic Entity	(293,696)	(719,702)
- Parent Entity	-	-
<u>Less</u>		
Tax effect of:		
- Section 40-880 deduction	(9,884)	(8,142)
Tax effect of deferred tax asset not recognised	303,580	727,844
Income tax attributable to entity	-	-
c) The Directors estimate that the potential deferred tax asset at 30 June in respect of tax losses not brought to account is:	3,578,374	2,554,489

The benefits of the tax losses and timing differences will only be achieved if:

- i) the Economic entity derives future assessable income of a nature and amount sufficient to enable the benefit from the taxation deductions to be realised; and
- ii) the losses are transferred to an eligible entity in the Economic Entity; and
- iii) the Economic Entity continues to comply with the conditions of deductibility imposed by law; and
- iv) there are no changes in taxation legislation adversely affecting the Economic Entity in realising the benefit from the deductions for the losses.

EnterMo Ltd and its wholly-owned subsidiary Smartcase Pty Ltd formed a tax consolidated group with effect from 1 January 2008. EnterMo Ltd is the head entity in the tax consolidated group. EnterMo LLC is a separate entity for taxation purposes.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

	2010	2009
	Cents	cents
a) Basic loss per share	(1.66)	(2.00)
b) Diluted loss per share	(1.66)	(2.00)
	\$	\$
c) Reconciliation of earnings to loss	(978,987)	(2,399,007)
	No.	No.
d) Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted loss per share	59,000,616	120,178,144

	2010	2009
Short-term employee benefits	207,910	246,469
Post-employment benefits	11,890	11,890
Share-based payments	55,000	114,450
	274,800	372,809

	2010	2009
Audit fees	22,000	13,000
Investigating Accountant Report	9,000	-
	31,000	13,000

	2010	2009
Cash at Bank	156,572	102,518
Term Deposit	9,000	9,000
	165,572	111,518

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

	2010	2009
<i>Current</i>		
Trade receivables	38,859	110,634
Less provision for doubtful debts	(38,859)	-
R & D Tax Concession	233,302	262,487
GST receivable	30,743	38,858
	264,045	411,979

Raw Materials	-	28,105
Finished goods	-	5,112
	-	33,217

	2010	2009
Prepayments	96,048	18,228

		2010	2009
<i>Parent Entity</i>			
- EnterMo Limited	Australia		
<i>Subsidiaries of EnterMo Limited</i>			
- Smartcase Solutions Pty Ltd	Australia	100	100
- EnterMo LLC	USA	100	-

* Percentage of voting power is in proportion to ownership

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

	2010	2009
	\$	\$
Plant and Equipment		
Cost	266,714	275,622
Accumulated depreciation	(125,768)	(74,817)
	140,946	200,805
Balance at the beginning of the year	200,805	48,613
Additions	10,749	227,009
Disposals	(12,120)	-
Depreciation	(58,488)	(74,817)
Carrying amount at the end of the year	140,946	200,805

	2010	2009
	\$	\$
Current		
Trade payables	277,877	231,039
Sundry payables and accrued expenses	120,296	234,321
	398,173	465,360

	Note	2010	2009
		\$	\$
Current			
Loans from related parties *	22	101,040	75,421
Loans from non-related parties		-	25,140
		101,040	100,561

* The Loan from Related Parties was made from AMN Nominees Pty Ltd, a director related entity repayable at an interest rate of 5.75%

	2010	2009
	\$	\$
Current		
Annual Leave	64,163	39,180
	64,163	39,180
Non Current		
Long Service Leave	10,693	4,658
	10,693	4,658

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

	(a)	(b)
Ordinary Shares	5,096,567	4,190,925
Options	-	-

(a) Ordinary shares

At the beginning of the reporting period	130,318,615	4,190,925	113,915,913	3,208,363
Shares issued during year	5,022,987	934,682	16,402,702	982,562
Consolidation of Shares 16:1	(125,805,522)	-	-	-
Transaction costs relating to share issues	-	(29,040)	-	-
At reporting date	9,536,080	5,096,567	130,318,615	4,190,925

(b) Options

At the beginning of the reporting period	21,000,000	-	1,000,000	-
Options issued during year	-	-	20,000,000	-
Consolidation of Options 16:1	(19,687,500)	-	-	-
Expired Options	(1,250,000)	-	-	-
At reporting date	62,500	-	21,000,000	-

21 September 2009	Founder Shares	833,333	\$0.06	50,000
16 October 2009	Consultants	3,040,650	\$0.06	182,439
26 November 2009	Consolidation 16:1	(125,805,522)	-	-
31 December 2009	Directors	169,004	\$0.96	162,243
14 January 2010	Placement	100,000	\$1.00	100,000
1 April 2010	Placement	880,000	\$0.50	440,000
		(120,782,535)		934,682

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

15 October 2008	Placement	3,333,333	\$0.06	200,000
19 November 2008	Placement	1,666,667	\$0.06	100,000
15 December 2008	Placement	1,500,000	\$0.06	90,000
23 December 2008	Placement	500,000	\$0.06	30,000
13 January 2009	Placement	333,333	\$0.06	20,000
13 January 2009	Placement	166,650	\$0.06	9,999
13 January 2009	Placement	166,650	\$0.06	9,999
4 March 2009	Placement	833,333	\$0.06	50,000
5 March 2009	Placement	833,333	\$0.06	50,000
15 April 2009	Placement	1,250,000	\$0.06	75,000
15 April 2009	Placement	1,250,000	\$0.06	75,000
5 May 2009	Placement	1,120,692	\$0.06	67,241
31 May 2009	Consultants	3,448,711	\$0.06	205,323
		16,402,702		982,562

26 November 2009	Consolidation 16:1	(19,687,500)	-	-
	Expired Options	(1,250,000)	1.44	-
		(20,937,500)		
14 April 2009	Licensee	20,000,000	Avg Market Sale Price	-
		20,000,000		

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

iii) Issue of Shares to Consultants and Directors

During the year ended 30 June 2010, 3,040,650 shares were issued to consultants (prior to consolidation) and 169,004 shares were issued to Directors in lieu of services provided. These services were invoiced to the Company and formed the basis of the valuation of equity to be issued.

The shares were issued at a price of \$0.06 per share to the consultants and \$0.96 to the Directors.

Ordinary shares participate in dividends and the proceeds on winding up of the Parent Entity in proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

iv) Consolidation of Ordinary Shares and Options

In November 2009 the issued capital of the Economic Entity was consolidated on the basis that for every sixteen (16) ordinary shares and sixteen (16) options held were consolidated into one (1) ordinary share and one (1) option of the Economic Entity.

The Economic Entity had the following expenditure commitments at 30 June:

Less than 12 months	126,500	64,868
---------------------	---------	--------

The Economic Entity is not involved in any legal or arbitration proceedings and, so far as Directors are aware, no such proceedings are pending or threatened against the Economic Entity.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

	2010	2009
a) Reconciliation of cash flow from operations with loss after income tax		
Loss for the year	(978,987)	(2,399,007)
Add back depreciation expense	58,488	51,674
Add back foreign currency reserves	566	-
Add back bad debts	38,859	-
Add back interest on loans	559	562
Add back equity issued for nil consideration	344,682	205,323
(Profit)/Loss of sale of Assets	6,256	-
(Increases)/Decreases in Trade and other Receivables	109,775	(350,731)
(Increases)/Decreases in Inventories	33,217	59,257
(Increases)/Decreases in Other Current Assets	(122,362)	51,772
Increases/(Decreases) in Trade and other Payables	(23,530)	248,788
Increases/(Decreases) in Provisions	31,017	13,322
Cash flow from operations	(501,460)	(2,119,040)

In August 2010, EnterMo lodged a prospectus with the Australian Securities and Investment Commission (ASIC) for the issue of 3.5 million shares at an issue price of \$1 each to raise \$3.5 million, with the ability to accept oversubscriptions for up to an additional 1.5 million shares (\$1.5 million).

In September 2010, a second supplementary prospectus was lodged with ASIC to extend the closing date to 1 October 2010, with the indicative listing date being 15 October 2010.

At the closing date the EnterMo had not met the minimum subscription level and the directors elected not to further extend the offer and will EnterMo will remain a private (unlisted) company for the immediate future.

The Company has secured \$1 million in funding via a Subscription Agreement with a significant investor. The investor has provided \$750,000 of this funding to date, with the remaining \$250,000 to be received in the near future in accordance with the terms of the agreement.

The Company will soon be releasing an Offer Information Statement to Shareholders for a Non-Renounceable Rights Issue offer to existing Shareholders. The Non-Renounceable Pro-Rata Offer will allow Shareholders to acquire one new share for every five shares they currently hold at a subscription price of \$0.50 per Share. The offer will be underwritten by partly Peregrine Corporate Limited, and partly by a significant investor and is anticipated to raise \$1,153,608 before costs.

Prior to the end of the financial year Bell Techlogix and Tech-Garde agreed with EnterMo to suspend payment of minimum royalties pending the completion of a manufacturing run of approximately 667 new model products. This gesture was made by the Company in recognition of the fact that North American marketing plans are now focussed on the new model product and as such could not be implemented until the current manufacturing thus is completed. Recent discussions and negotiations with the North American license partners have centred around the reinstatement or alternatively cancellation of minimum royalty commitments which would result in the cessation of the exclusive rights of Bell Techlogix and Tech-Garde.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

EnterMo is evaluating various opportunities in respect to these significant markets and believes this situation will be resolved shortly.

No additional royalties have been received by the company since the close of the 2010 financial year.

No other matters or circumstances have arisen since the end of the reporting period, not otherwise disclosed in this report, which significantly affected or may significantly affect the operations of the Economic Entity, the result of those operations or the state of affairs of the Economic Entity in subsequent financial years.



Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

a) A company controlled by Tony Quinney, a Director provides taxation services to the Economic Entity and leases premises to the Economic Entity.	15,685	14,566
b) A company controlled by Bruce Murchie, a Director provides consulting services to the Economic Entity.	9,225	106,530
c) Richard Revellins, a Director is also a director of a company that provides corporate advisory services, capital raising assistance and the services of Richard Pike to the Economic Entity.	99,495	102,289
d) Salaries paid to J Cherry, wife of D Cherry.	22,672	-
e) Loans payable to Director related entities associated with Richard Revellins		
- Darontack Pty Ltd	-	25,140
- AMN Nominees Pty Ltd	101,040	50,281

The above amounts include expense reimbursements and where a Director was appointed during the period, the value represents the fees incurred from appointment.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

Cash and cash equivalents	165,572	111,518
Trade and other receivables	264,045	411,979
Trade and other payables	(398,173)	(465,360)

Capital Management

The Economic Entity's policy is to maintain a strong and flexible capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The board monitors the return on capital, which the Economic Entity defines as total shareholders' equity attributable to members of EnterMo Limited divided by the quantity of shares on issue.

Financial Risk Management

The Economic Entity's activities expose it to a variety of financial risks: market risk, credit risk, foreign currency risk and liquidity risk. Management have established risk management policies to identify and analyse the risks faced by the Economic Entity, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Economic Entity's activities.

NOTES TO THE FINANCIAL STATEMENTS

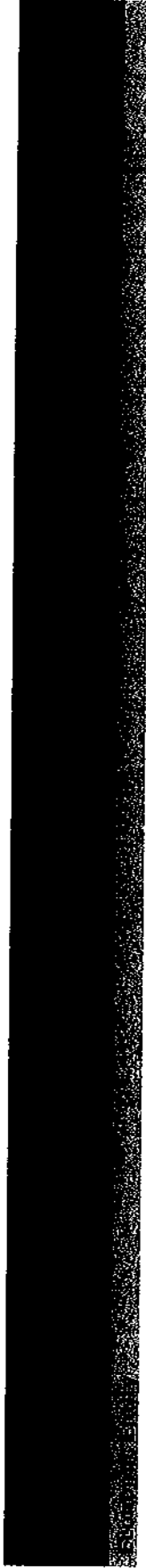
For the Year Ended 30 June 2010 (Continued...)

Market Risk

Interest Rate Risk

The Economic Entity's is exposed to interest rate risk via the cash and cash equivalents that it holds. Interest rate risk is the risk that a financial instrument value will fluctuate as a result of changes in market interest rates. The objective of managing interest rate risk is to minimise the Economic Entity's exposure to fluctuations in interest rates that might impact its interest revenue and cashflows.

Cash at bank balances of \$165,572 (2009: \$111,518) are subject to interest rate risk, being held in accounts with floating interest rates. There is no other exposure to interest rate risk.



Financial Assets:

Cash and cash equivalents	1.94%	155,788	9,000	-	784	165,572
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Financial Assets:

Cash and cash equivalents	1.17%	101,763	9,000	-	755	111,518
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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

An increase or decrease of 1% in interest rates at the reporting date would have the following increase/ (decrease) effect on after tax loss and equity. This analysis assumes that all other variables remain constant.

+1% (2009 +4%)	1,656	4,461
-1% (2009 -2%)	(1,656)	(2,230)

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Economic Entity. There has been no substantial exposure to credit risk as the majority of the Economic Entity receivables relate to the refund of GST and R&D Tax Concession from the Australian Tax Office.

Surplus cash is invested with financial institutions of appropriate credit worthiness and the amount of credit exposure to any one counter party is limited.

The carrying amount of the financial assets represents the maximum credit exposure. The Economic Entity's maximum exposure to credit risk at the reporting date was:

2010

Trade and other receivables	264,045
-----------------------------	---------

2009

Trade and other receivables	411,979
-----------------------------	---------

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient assets to meet liabilities as they fall due.

The Economic Entity is exposed to liquidity risk via the quantity and type of financial assets and liabilities it holds. The board ensures that the Economic Entity can meet its financial obligations as they fall due by maintaining sufficient reserves of cash and identifying when they need to raise additional funding from the equity markets.

2010

Trade and other payables	398,173
--------------------------	---------

2009

Trade and other payables	465,360
--------------------------	---------

Foreign Exchange Risk

The Economic Entity is exposed to foreign exchange risk via the trade and other receivable and trade and payables that it holds. Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Economic Entity does not have a policy to hedge overseas payments or receivables as they are highly variable in amount and timing, due to the reliance on activities carried out by overseas entities and their billing cycle.

The following financial assets and liabilities are subject foreign currency risk:

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

Trade and other receivables (AUD/USD)	19,993	426
Trade and other payables (AUD/USD)	302	27,316
Trade and other payables (AUD/GBP)	201,205	20,797

Foreign currency risk is measured by regular review of our cash forecasts, monitoring the dollar amount and currencies that payments are anticipated to be paid in. The Economic Entity also considers market fluctuations in relevant currencies to determine the level of exposure. If the level of exposure is considered by Management to be too high, then Management has authority to take steps to reduce the risk. Steps to reduce risk may include the acquisition of foreign currency ahead of the anticipated due date of an invoice or may include negotiations with parties to make payments in our functional currency. Should Management determine that the Economic Entity should consider taking out a hedge to reduce the foreign currency risk, they would need to seek Board approval.

The Economic Entity has entered into agreements with parties outside of Australia that expose it to transactional currency movements, where the Economic Entity is required to pay and/or to receive funds in a currency other than its functional currency.

The Economic Entity has conducted a sensitivity analysis of the Economic Entity's exposure to foreign currency risk. The analysis shows that if the Economic Entity's exposure to foreign currency risk was to fluctuate as disclosed below and all other variables had remained constant, then the foreign currency sensitivity impact on the Economic Entity's loss after tax and equity would be as follows:

Increase/(Decrease) in trade and other receivables		
AUD/USD + 3% (2009: 3%)	600	38
AUD/USD - 3% (2009: 3%)	(600)	(38)
Increase/(Decrease) in trade and other payables		
AUD/USD + 3% (2009: 9%)	9	2,458
AUD/USD - 3% (2009: 9%)	(9)	(2,458)
Increase/(Decrease) in trade and other payables		
AUD/GBP + 2% (2009: 6%)	4,024	1,248
AUD/GBP - 2% (2009: 6%)	(4,024)	(1,248)

Fair values

The fair value of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are set out below:

Financial Assets				
Cash and cash equivalents	165,572	165,572	111,518	111,518
Trade and other receivables	264,045	264,045	411,979	411,979
	429,617	429,617	523,497	523,497
Financial Liabilities				
Trade and other payables	(398,173)	(398,173)	(465,360)	(465,360)
	(398,173)	(398,173)	(465,360)	(465,360)

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2010 (Continued...)

The following information has been extracted from the financial reports and records of the Parent Entity, EnterMo Ltd, and has been prepared in accordance with the accounting standards:

	Note	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents	8	165,572	111,518
Trade and other receivables	9	264,045	411,979
Other	11	96,048	18,228
Total Current Assets		525,665	574,942
Non-Current Assets			
Plant and equipment	13	140,946	200,805
Total Non-Current Assets		140,946	200,805
TOTAL ASSETS		666,611	775,747
LIABILITIES			
Current Liabilities			
Trade and other payables	14	398,173	465,360
Other financial liabilities	15	101,040	100,561
Total Current Liabilities		563,376	605,101
TOTAL LIABILITIES		574,069	609,759
NET ASSETS		92,542	165,988
EQUITY			
Issued capital	17	5,096,567	4,190,925
Accumulated losses		(5,003,924)	(4,024,937)
Total Equity		92,542	165,988

Note 28 Company Details

EnterMo Limited
402 Dana Street
Ballarat Victoria 3350

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 16 to 45, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the Company and Economic Entity;
 - (c) complies with International Financial Reporting Standards as disclosed in Note 1
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
 - (a) the financial records of the Economic Entity for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. In the Directors' opinion there are reasonable grounds to believe that the Economic Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Richard Revelins
Executive Chairman

Dated this the 26th Day of November 2010
Melbourne

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENTERMO LIMITED AND CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying financial report of EnterMo Limited which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

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PO Box 183, Toorak VIC 3142
Telephone: +61 3 9324 8555 • Facsimile: +61 3 9324 8560
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INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENTERMO LIMITED AND CONTROLLED ENTITIES

Auditor's Opinion

In our opinion:

- a. the financial report of EnterMo Limited is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the company and consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to Note 1 in the financial report which indicates the entity incurred a net loss of \$978,987 during the year ended 30 June 2010 and, as of that date, the Directors have made an assessment that the cash balance of \$165,572 will not be sufficient to meet the forecasted cashflows without further capital being raised or cashflows from sales being achieved. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

A handwritten signature in black ink, appearing to read 'Jeffrey Luckins', written over a horizontal line.

Jeffrey Luckins
Director
William Buck Audit (VIC) Pty Ltd
ABN 59 118 151 136

Dated in Melbourne on this 26th day of November 2010

INDEPENDENCE DECLARATION



26 November 2010

The Board of Directors
EnterMo Limited
702 Dana Street
BALLARAT VIC 3350

Dear Board Members

AUDITOR'S INDEPENDENCE DECLARATION IN ACCORDANCE WITH SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ENTERMO LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of EnterMo Limited.

As lead audit partner for the audit of the financial report of EnterMo Limited for the year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Jeffrey Luckins
Director
William Buck Audit (VIC) Pty Ltd
ABN 68 116 151 136

Dated in Melbourne on this 26th day of November 2010

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

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##SAMPLE ONLY##

DECLARATION

By lodging this application form and a cheque for the application money the applicant hereby:

- a) applies for the number of Shares specified in the application form or such lesser number as may be allocated by the directors;
- b) agrees to be bound by the Constitution of the Company;
- c) authorises the directors to complete or amend this application form where necessary to correct any errors or omissions;
- d) authorises the Company to send the applicant a substituted application form (if this application form ceases to be current) to the applicant's email address set out in this application; and
- e) declares that the applicant has received a full and unaltered version of the Offer Document in paper format.

THIS FORM DOES NOT REQUIRE SIGNING UNLESS YOU WISH TO CHANGE YOUR ADDRESS.

NEW ADDRESS:

BLOCK
LETTERS
PLEASE

Your Signature/s

RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR
ACCEPTANCE OF THE SHARES BEING OFFERED
THIS ISSUE CLOSES 5.00PM EST ON 15 FEBRUARY 2011

SAMPLE ONLY

**ENTITLEMENT AND ACCEPTANCE FORM
ENTERMO LIMITED
ACN 128 857 143**

REGISTERED OFFICE:
702 Dana Street
BALLARAT VICTORIA 3350

«HOLDER_NAME _____»
«ADDRESS_LINE_1 _____»
«ADDRESS_LINE_2 _____»
«ADDRESS_LINE_3 _____»
«ADDRESS_LINE_4 _____»

Holder Number: «HOLDER_NO_»
Entitlement No: «REF_NO»
«HOLDER_TYPE _____»

Shareholding at 5.00pm EST on 23 December 2010 Entitlement to Shares 1:5 Amount payable on acceptance @ \$0.50 per Share

«SECURITIES» «ENTITLEMENT» «AMOUNT»

A NON-RENOUNCEABLE ISSUE OF APPROXIMATELY 2,311,218 NEW SHARES AT A PRICE OF \$0.50 EACH ON THE BASIS OF ONE (1) NEW SHARE FOR EVERY FIVE (5) FULLY PAID ORDINARY SHARES HELD.

To the Directors,

- (1) I/We the abovenamed being registered on 23 December 2010 (at 5.00pm Australian EST) as the holder(s) of ordinary shares in your Company hereby accept and apply for the undermentioned Shares issued in accordance with the terms of the Offer Information Statement accompanying this form.

TO BE COMPLETED BY SHAREHOLDER	NO OF NEW SHARES ACCEPTED/APPLIED FOR	@ \$0.50 PER SHARE	AMOUNT ENCLOSED
		\$0.50	AUD\$

- (2) I/We the abovenamed having accepted and applied for my/our full entitlement to Shares issued in accordance with the Offer Information Statement accompanying this form, hereby apply for the undermentioned number of additional Shares from any shortfall in acceptances under the rights issue (if any) in accordance with the terms of the Offer Information Statement.

TO BE COMPLETED BY SHAREHOLDER	NO OF SHORTFALL SHARES ACCEPTED/APPLIED FOR	@ \$0.50 PER SHARE	AMOUNT ENCLOSED
		\$0.50	AUD\$

- (3) I/We enclose my/our cheque made payable to *EnterMo Limited*, for the amount shown being payment at the rate of \$0.50 per Share applied for.
- (4) I/We hereby authorise you to place my/our name(s) on the register of members in respect of the number of Shares allotted to me/us and
- (5) I/We agree to be bound by the Constitution of the Company.
- (6) If any information on this form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the directors as to whether to accept this form, and how to construe, amend or complete it shall be final.
- (7) My/Our contact details in case of enquiries are:

Telephone Area Code

Facsimile Area Code

Contact Name: _____

Email: _____

NOTE: Only cheques and/or bank drafts in Australian currency and drawn on and payable by a bank within Australia should be sent, made payable to EnterMo Limited crossed Not Negotiable and forwarded to Suite 2, 1233 High Street, Armadale, 3143 together with this Entitlement and Acceptance Form to arrive:

NO LATER THAN 5.00PM EST ON 15 FEBRUARY 2011

##SAMPLE ONLY##

DECLARATION

By lodging this application form and a cheque for the application money the applicant hereby:
a) applies for the number of Shares specified in the application form or such lesser number as may be allocated by the directors;
b) agrees to be bound by the Constitution of the Company;
c) authorises the directors to complete or amend this application form where necessary to correct any errors or omissions;
d) authorises the Company to send the applicant a substituted application form (if this application form ceases to be current) to the applicant's email address set out in this application; and
e) declares that the applicant has received a full and unaltered version of the Offer Document in paper format.

THIS FORM DOES NOT REQUIRE SIGNING UNLESS YOU WISH TO CHANGE YOUR ADDRESS.

NEW ADDRESS:

BLOCK
LETTERS
PLEASE

Your Signature/s

RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR
ACCEPTANCE OF THE SHARES BEING OFFERED
THIS ISSUE CLOSES 5.00PM EST ON 15 FEBRUARY 2011

SAMPLE ONLY