

19 July 2011

Following successful completion of its recent non-renounceable Right Issue and subsequent Placement (collectively referred to as the **Offer**), the Company confirms that the below table sets out the Company's commitments of the funds raised under Offer for the 12 months from 1 July 2011:

Use of funds	Actual Raising of \$4,327,000 (\$)
Total funds available (net of debt after repayment of Furneaux Loan Facility)	2,232,000
<i>vPublisher</i>	
Product Development	800,000
Market Expansion	450,000
Knowledge Nation	
Product Development	175,000
Market Expansion	180,000
Total funds committed	1,605,000
Working capital	627,000
Total	2,232,000

The pro forma Statement of Financial Position set out below has been prepared to show the actual outcome of the Offer, as if it occurred on or before 31 December 2010.

Consolidated Pro forma Statement of Financial Position as at 31 December 2010

	Note	Reviewed ⁽¹⁾ \$'000	Pro forma Actual ⁽²⁾ \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	234	2,232
Trade and other receivables		66	66
TOTAL CURRENT ASSETS		300	2,298
NON-CURRENT ASSETS			
Property, plant and equipment		15	15
Investments		0	28
TOTAL NON-CURRENT ASSETS		15	43
TOTAL ASSETS		315	2,341
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		254	53
Borrowings		857	150
TOTAL CURRENT LIABILITIES		1,111	203
TOTAL LIABILITIES		1,111	203
NET ASSETS		(796)	2,138
EQUITY			
Issued capital	4	61,872	66,032
Reserves		975	975
Accumulated losses		(63,643)	(64,869)
TOTAL EQUITY		(796)	2,138

⁽¹⁾ The historical Statement of Financial Position has been extracted from the reviewed financial statements of ESN (ABN 41 009 221 783) as at 31 December 2010.

⁽²⁾ The pro forma Statement of Financial Position reflects ESN and its controlled entities, the pro forma transactions, the application of the funds from the Offer less the costs associated with the Offer as set out in Note 2 as if they occurred on or before 31 December 2010.

Note 1 – Basis of Preparation and Accounting Policies

The historical and pro forma Statement of Financial Position have been prepared consistent with the basis of preparation and in accordance with the accounting policies as set out in the audited financial statements as at 30 June 2010 and the financial report for the half year ended 31 December 2010.

Note 2 – Pro Forma Adjustments

The following transactions and events, referred to as the pro forma adjustments, have taken place on or before the completion of the Offer, and are included as if they had occurred on or before 31 December 2010:

Pro forma transactions:

Rights Issue and Public Offer

The issue of eight new shares for every one existing share held by eligible shareholders at the issue price of \$0.005 per new share. Under the Rights Issue, 697,913,920 new shares were issued amounting to approximately \$3,490,000.

Placement

The placement in respect of 167,584,772 shares at \$0.005 per share to clients of Furneaux amounting to approximately \$837,000

Repayment of the Furneaux loan

The proceeds of the capital raising will be used in part to repay the Furneaux loan facility which amounted to \$2.1 million as at 30 June 2011 which includes expenses paid associated with the offer (including advisory, legal, accounting and administrative fees as well as printing, advertising and other expenses) amounting to \$300,000 (inclusive of GST). An amount of \$167,000 has been charged against share capital and \$133,000 against retained earnings.

A deferred tax asset has not been recognised in relation to the capitalised Offer costs due to the uncertainty surrounding the flow of economic benefits that will flow to the Company in future periods.

Note 3 – Cash and Cash Equivalents

The pro forma cash and cash equivalents are set out below:

	Pro forma Actual raising \$'000
Cash and cash equivalents at 31 December 2010	234
<i>Pro forma transactions:</i>	
Purchase consideration for VCI business	(28)
Repayment of Furneaux loan	(2,100)
Repayment of past creditors	(201)
Proceeds from shares issued pursuant to the Offer	4,327
Pro forma cash and cash equivalents	2,232

Note 4 – Issued Capital

The pro forma issued capital is set out below:

	Pro forma Actual raising \$'000
Issued capital at 31 December 2010	61,872
<i>Pro forma transactions:</i>	
Proceeds from shares issued pursuant to the Offer	4,327
Capital raising costs pursuant to the Offer	(167)
Pro forma issued capital	66,032

As a result of the Offer, the Company will have 952,737,932 fully paid ordinary shares and 16,161,570 options on issue.

The following table sets out details of the 20 largest holders of ordinary shares (being the only class of securities to be quoted), including the number and percentage of ordinary shares held by those holders:

Holder Name	Balance	%
DENTOST PTY LTD	82,174,934	8.625
SUBURBAN HOLDINGS PTY LTD <THE SUBURBAN SUPER FUND A/C>	36,000,000	3.779
LOTUS ENG PTY LTD <BAE INV SUPER FUND A/C>	34,000,000	3.569
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	31,410,108	3.297
CITICORP NOMINEES PTY LIMITED	30,692,998	3.222
MR ANTANAS GUOGO	30,000,000	3.149
SPHINK HOLDINGS LTD	25,000,000	2.624
LANDPATH PTY LTD	24,000,000	2.519
MR JOSEPH ANTHONY DE PLEDGE & MRS JANE MARGARET DE PLEDGE <THE J & J DE PLEDGE S/F A/C>	20,563,697	2.158
MR ADRIAN DONALD LEE	20,393,691	2.141
MR MARK KERR & MRS LINDA KERR <LINDMARK INV STAFF S/F A/C>	20,048,317	2.104
HAWTHORN GROVE INVESTMENTS PTY LTD	20,000,000	2.099
MR MARCO LONGO	20,000,000	2.099
PITT STREET ABSOLUTE RETURN FUND PTY LIMITED	20,000,000	2.099
NOTEZY PTY LTD <SUPER FUND ACCOUNT>	20,000,000	2.099
JAN GUNNICK & MARIE CAROLINE GUNNICK <CAROJAN RETIREMENT FUND A/C>	20,000,000	2.099
BENBALLEY PTY LTD <STEWART CRANSWICK FAMILY A/C>	20,000,000	2.099
NLS PTY LTD <NLS A/C>	20,000,000	2.099
GRAZIAN PTY LTD	20,000,000	2.099
MILLWEST INVESTMENTS PTY LIMITED	20,000,000	2.099
	549,283,745	57.653

The following sets out a distribution schedule of the number of holders in ordinary shares to be quoted:

Holdings Ranges	Holders	Total Units	%
1-1,000	2,185	584,160	0.061
1,001-5,000	1,012	2,662,892	0.279
5,001-10,000	353	2,697,616	0.283
10,001-100,000	596	18,518,394	1.944
100,001-99,999,999,999	301	928,274,870	97.432
Totals	4,447	952,737,932	100.000